

CITY OF PLEASANTON CALIFORNIA



Veterans Memorial Building
Dedicated 1933 - Rededicated 2007

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended
June 30, 2007

City of Pleasanton

Pleasanton, California

Comprehensive Annual Financial Report

For the year ended June 30, 2007

Prepared by the Finance Department

City of Pleasanton

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THE CITY OF



PLEASANTON.

December 14, 2007

To the Honorable Mayor, Members of the City Council and
Citizens of the City of Pleasanton, California:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Pleasanton, California, for the fiscal year ended June 30, 2007, prepared by the City's Finance Department. Various financing covenants and regulations associated with restricted funding sources require the City of Pleasanton to publish a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited by a firm of licensed certified public accountants. Pursuant to these requirements, we hereby issue the Comprehensive Annual Financial Report of the City of Pleasanton, California, for the fiscal year ended June 30, 2007.

The report consists of management's representation concerning the finances of the City of Pleasanton. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Caporicci & Larson, a firm of licensed certified public accountants, has audited the City of Pleasanton's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Pleasanton for the fiscal year ending June 30, 2007, taken as a whole, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial management presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Pleasanton's financial statements for the fiscal year ending June 30, 2007, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City is part of a broader, federally mandated "Single Audit" designed to meet the needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Pleasanton's MD&A can be found immediately following the report of the independent auditors.

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To the Honorable Mayor, Members of the City Council and
Citizens of the City of Pleasanton, California

Profile of the Government

The City of Pleasanton was incorporated on June 18, 1894. Pleasanton's history has been shaped largely from its geographic location, from its days as a stop on the transcontinental railroad to its modern day position as a center of commerce. Pleasanton is situated at the intersection of two major vehicle transportation corridors, with access to rapid transit that links most of the San Francisco Bay Area, and passenger rail service connecting the San Joaquin Valley to Silicon Valley, with a stop in Pleasanton. Pleasanton enjoys a rich blend of historic turn-of-the-century charm and vital modern facilities that provide the quality of life and economic well being desired by residents and businesses. This successful balance has been achieved through Pleasanton's active and involved citizenry, strong community leadership, and committed City government.

Pleasanton occupies a land area of 24 square miles, and serves a residential population of 68,755 and workforce population of approximately 61,000 employees. Pleasanton is a full service general law city providing police, fire, public works, economic development, planning, inspection services, parks and community services (recreation, sports, senior center, preschool, etc.), and library services. The City operates under the Council-Manager form of government, with four Council members elected at-large for staggered four-year terms, and the Mayor elected for a two-year term. The Council appoints the City Manager and the City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City and appointing department heads.

The financial statements included in this CAFR present the City (the primary government), the Housing Authority of the City of Pleasanton, California (Housing Authority), and the Pleasanton Joint Powers Financing Authority (PJFPA) as component units. These two component units are separate legal entities; however, the members of the City Council also serve as members of the Housing Authority board and the PJFPA board. Therefore, financial information for the Housing Authority and the PJFPA is blended with the City's financial information.

The biennial budget serves as the foundation for the City of Pleasanton's financial planning and control. The budget process begins in January in odd numbered years with each department receiving a budget packet. The City Manager meets with each department director to discuss the budget requests and make adjustments where necessary.

Prior to July 1, the City Manager submits to the City Council a proposed operating budget for the coming two fiscal years. The operating budget includes proposed expenditures and the means to finance them. Public hearings are conducted to obtain taxpayers' comments. The budget is legally adopted through passage of a Council resolution. A budget review is presented to the City Council by the City Manager at mid-year and mid-term and approved additions or changes are legally adopted through Council resolution.

The Council exercises budgetary control at the fund level. Formal budgetary integration is employed as a management control device during the fiscal year for the General Fund, Special Revenue Funds, Capital Projects Funds, Enterprise Funds and Internal Service Funds. The budgeted funds are adopted on a basis consistent with generally accepted accounting principles in the United States. Expenditures may not legally exceed budgeted appropriations at the fund level. Management does not have the authority to amend the budget without the approval of the City Council. However, the City Manager may authorize budgetary transfers from one account to another within the same fund.

Assessing the City's Economic Condition

Local Economy

The continuation of quality services to the residents of Pleasanton has been possible because of solid community land-use planning, which has created a diverse revenue stream from the business and residential community to support the cost of providing services to both the business and residential populations.

December 14, 2007

To the Honorable Mayor, Members of the City Council and
Citizens of the City of Pleasanton, California

The City's geographic location is a major factor affecting its economic position. The City is located at the intersection of two interstate freeways (I-580 and I-680), linking Pleasanton to Sacramento to the north, San Francisco/Oakland to the west, the Silicon Valley to the south, and the San Joaquin Valley to the east. The Bay Area Rapid Transit system (BART) provides service from Pleasanton to San Francisco/Oakland and the surrounding areas. The Altamont Commuter Express (ACE) provides commuter service between the San Joaquin Valley and Silicon Valley, stopping in Pleasanton.

Besides Pleasanton's proximity to San Francisco and Silicon Valley and its transportation access, other factors contribute to its attractiveness to businesses, and their ability to attract and retain quality employees. These factors include the low crime rate; moderate climate; well educated labor pool; excellent schools, housing stock, parks and recreational facilities; and the hometown feel of the historic downtown.

Pleasanton's business community is noted for its productivity and progressiveness. There are approximately 61,000 employees working within the more than 19 million square feet of commercial, office, and industrial space throughout the City. Pleasanton boasts five distinct business parks, among them the nationally recognized Hacienda Business Park. Businesses indicate they are attracted to Pleasanton for the highly educated and skilled workforce. In addition to the diversified regional labor force, the Pleasanton area has a good base of executive, managerial and professional people giving employers access to people with a wide range of skill levels including one of the nation's largest concentrations of scientific and engineering talent. In 2006, Pleasanton was cited as having the highest median household income in the nation (in cities with populations from 65,000 to 249,999) at \$101,022.

The housing market has stalled after running at double-digit appreciation rates for the past few years. Jobs associated with the housing problem will be negatively impacted (construction, real estate, financial jobs) and there will be a ripple down affect for City revenues associated with residential development (property tax, building permit revenue). Homes purchased during the housing peak may experience significant valuation declines. On the other hand, commercial growth continues to occur as evidenced by the new business development discussion below. Pleasanton's office market continues to improve, moving from a vacancy rate of 18% in 2003, to 13% in 2006, to 10% as of Q3 2007 (Colliers International – Tri-Valley report) while Class A asking rates have increased from \$2.25 to \$2.36 per square foot in the past year. The commercial real estate market is not totally immune to the problems in the residential mortgage industry, as it is more difficult to finance projects today than it was this time last year. According to the State of California Employment Development Department, Pleasanton's unemployment rate as of October 2007 is 2.4%, near full employment. In comparing 2007 to the prior year, the City has experienced increases in many of its major revenue sources that are tied to regional economic growth, including combined property tax (9.9%), sales tax (9.0%) (although the increase for 2008 is expected to be negligible), hotel tax (9.6%) and business license tax (2.8%) revenues. These four revenue sources account for 80% of the City's General Fund revenue. The City anticipates secured property tax revenue to increase 5% in 2008. A more cautious estimation may be warranted in subsequent years as the impact of the current housing slowdown is realized.

The following examples represent new business development in the City of Pleasanton:

The Simon Property Group, the nation's largest shopping mall owner, acquired the Stoneridge Shopping Center from the Mills Corporation. In the past year, the regionally popular PF Changs and Cheesecake Factory restaurants opened at the mall site. Simon is in discussions with Nordstrom department store to evaluate expansion plans that have been on hold while the ownership change was being negotiated.

Construction of a second Bay Area Rapid Transit (BART) station in Pleasanton has begun and will be located near the Stoneridge Mall.

The Taylor Building, a 24,600 square foot office building has been completed in the Hacienda Business Park. Tenants include Compuware and P.D. Larson Company.

CarrAmerica Corporate Center in the Hacienda Business Park is proposing a 500,000 square-foot expansion of its existing seven-building campus, which already includes more than a million square feet. The plans include three new office buildings and a 130-room hotel with attached retail.

To the Honorable Mayor, Members of the City Council and
Citizens of the City of Pleasanton, California

Roche Molecular, a pharmaceutical and medical technology company, is nearing completion of a 138,000 square foot R&D expansion at its Hacienda Business Park campus. Plans call for the current expansion to be followed by the addition of a 39,000 square foot administration building.

South Bay Development Company submitted conceptual plans to develop over 721,000 square feet of mixed retail and commercial office space on 40 acres of the Bernal property at the intersection of Interstate 680 and Bernal Avenue. The office complex includes seven 4-story buildings with linkages to the retail center. A Safeway grocery store is proposed to serve as the anchor tenant for the retail center and South Bay is in the process of seeking additional tenants.

The Pleasanton Auto Mall, a key element of the City's business community, has executed a Memorandum of Understanding with Alameda County to relocate and expand its operations on approximately 30 acres at El Charro Road and I-580, locally referred to as Staples Ranch. In addition to increasing the sales space and inventory, the Auto Mall may add more dealers, contributing further to the City's tax revenues.

In all, these activities indicate a very positive trend for Pleasanton's business market.

State Budget

Some analysts are forecasting the State of California will experience a budget shortfall of up to \$14 billion in 2008. In the past, the State has looked to the cities to assist in remedying its fiscal shortfalls. A constitutional amendment (Proposition 1A), passed by State voters on November 2, 2004, limits the amounts of reductions of local government revenues in 2006-07 and future years and recharacterizes those reductions as "loans" rather than "takeaways". It also limits the State's ability to borrow local revenue allocations to twice every ten years. Another provision permanently reduces the vehicle license in lieu tax rate and replaces local governments' lost taxes with property tax money, the source of which has been transferred from local governments annually since 1993. Since 1992-93, the City of Pleasanton has lost \$79.9 million in a combination of diverted revenue and increased expense due to State budgetary actions.

General Plan Build-Out

The City's General Plan is the official document used by City decision makers and citizens to guide the long-range development of land and conservation of resources as the City grows and changes. It is the City's "constitution" for all future development, containing goals, policies, and maps. When the 1996 General Plan was adopted, build out was expected to occur approximately in the year 2020 (or soon thereafter) for both commercial and residential property, although residential build out could occur sooner. The General Plan is currently under review and the timeframe for build out is now estimated at 2020 and 2030 respectively for both residential and commercial development. In any event, as the City approaches build-out, revenue growth will naturally slow.

Risk Management

The City of Pleasanton uses programs of pooled resources and self-retained limits to reduce its costs for liability (tort and employment practices) and workers' compensation claims. The City uses its City Attorney and staff, supplemented by professional risk managers and claims administration firms, to minimize losses. The City participates in a multi agency joint powers authority (Bay Cities Joint Powers Insurance Authority) to provide coverage for tort liability losses in excess of \$100,000 and, through Bay Cities, participates in two other multi agency joint powers authorities (Employment Risk Management Authority and Local Agency Workers' Compensation Excess Joint Powers Authority) to provide coverage for employment practices losses and workers' compensation claims (\$75,000 and \$1,000,000 respectively). These joint powers authorities and the City rely on estimates prepared by professional actuaries to deposit premiums adequate to meet potential losses.

To the Honorable Mayor, Members of the City Council and
Citizens of the City of Pleasanton, California

Cash Management and Policies

The City adheres to the provisions of the California Government Code section 53601 regarding investment of idle cash. The City Council annually reviews the investment policy. Cash temporarily idle during the year was invested in obligations of the U.S. Treasury and agencies of the federal government, the State Treasurer's investment pool, and U.S. Treasury money market funds. Maturities of the investments can range from one to five years, with an average maturity in 2007 of 287 days. The average yield of investments not held by fiscal agents was 4.65%. It is the City's practice to hold investments to maturity; therefore, gains and losses due to temporary market fluctuations are rarely realized.

Major Initiatives

In August 2000, the City Council approved the specific plan, zoning, and development agreement for the 516-acre Bernal Property. San Francisco's Water Department acquired this land in the 1930's as watershed. In October 2002, 318 acres of the Bernal Property were dedicated to the City for open space and other public uses. GHC Bernal Investors, LLC, purchased the adjacent lands, which has since been annexed to the City, from San Francisco and to date has developed 5,000 square feet of retail, a 100-unit apartment complex (with 31 affordable units), and 481 single-family homes (with 56 affordable units). Conceptual plans have been submitted to develop up to 721,000 square feet of commercial/retail space on the site, adjacent to Interstate 680. Measure P, passed by Pleasanton voters in November 2006, allows the City Council to implement a land use plan that includes lighted sports fields and a children's play area and may include an outdoor amphitheatre, a cultural arts facility and significant open space. Due to the significant acreage involved and the range of recreational facilities anticipated, development will most likely occur over time and in phases. A long term financing plan has been developed.

Legacy Partners, a major real estate developer, purchased a 322-acre east Pleasanton site that has been in use as a quarry and mining operation for over 50 years. This site represents the last area of Pleasanton where there is a substantial number of acres to be developed. The City will be undergoing an East Side Specific Plan for this area following completion of the General Plan.

The Firehouse Arts Center project encompasses the adaptive reuse of the historical 1929 Firehouse building located in the downtown. The historic building, along with newly constructed additions will house a small theater (240 seats), an art gallery, and classrooms. The Firehouse Arts Center project is considered a vital addition to the economic sustainability of the City's historic downtown.

To further facilitate the economic growth of the downtown, the City negotiated the purchase of 10 acres of vacant property located between Bernal Avenue and Stanley Boulevard adjacent to First Street in the downtown area known as the Alameda County Transportation Corridor. The land will be used to provide parking facilities and other improvements in the downtown area. The details of the acquisition will be finalized in early 2008.

Long Term Financial Policies and Planning

Because the City anticipates a slowing of its revenue growth rate as it approaches General Plan build-out, long-term financial policies and planning have been formalized in the Economic and Fiscal Element of the General Plan. Its goals and programs are aimed at long-term fiscal sustainability.

The City's long-term financial policies place an emphasis on building reserves to fund capital assets while minimizing the use of debt. The City maintains a 10% reserve for economic uncertainties in the General Fund, currently totaling \$9.2 million. As of June 30, 2007, the City has \$5.1 million in the Temporary Recession Reserve, \$64.8 million in capital project reserves set aside for future projects, and \$31.8 million in reserves that have been set aside for insurance reserves, and long term replacement and renovation of equipment, vehicles, parks and facilities.

December 14, 2007

To the Honorable Mayor, Members of the City Council and
Citizens of the City of Pleasanton, California

Reserves set aside for Retiree Medical Benefits total \$36.4 million. Many of these capital reserves have a long-term focus, systematically being accumulated until needed to avoid excessive debt financing. Therefore, if needed, these reserves could be drawn upon temporarily to sustain operations during a prolonged economic downturn or until the City could make operational changes to fit the constraints of its resources. While the City's financial policies require that one-time funds be used for one-time purposes, they do allow the temporary use of surplus fund balances (in excess of required minimum reserves) to help stabilize services. Therefore, if any of these reserves were drawn upon, the goal would be to begin restoring them as soon as possible thereafter.

Multi-layered reserves also help to insulate the City from prolonged State budget deficits, and the potential impacts on local agencies, schools and infrastructure. In both the short and the long term, the revenue structure in the State could change, with unknown impacts to the City.

With the diverse economic makeup of the community and prudent financial policies in place, the City should be able to maintain its local services and infrastructure as it ages. Few additional personnel are expected to be added as we approach build-out; therefore, the City does not expect to be reliant on continued double-digit increases in revenue in the future to remain fiscally healthy and to continue to maintain its high service levels.


Awards and Acknowledgments


The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Pleasanton for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2006. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. The report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the CAFR was made possible through the dedicated work of all of the members of the Accounting, Treasury and Administrative divisions of the Finance Department. Special thanks and acknowledgment are due to Sally Madrid, Financial Services Manager (Accounting) and Diane Punzo, Accounting Manager who bear the primary responsibility for maintenance of the City's financial records. Other contributing staff include: Cheryl Caraballo, Josie Fong, Annette Gibson, Pat Heath, Dave Iremonger, Kathy Kitterman, Margaret Lyons, Mike Patrick, Susan Rutkowsky, Sharon Svitak, and Lois Webb.

The City Council should be acknowledged and thanked for its leadership and commitment to ensuring the long-term fiscal health of the City.

Respectfully submitted,


David P. Culver
Director of Finance


Nelson Fialho
City Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Pleasanton
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

CITY OF PLEASANTON

**LISTING OF PUBLIC OFFICIALS
AS OF JUNE 30, 2007**

ELECTED OFFICIALS:

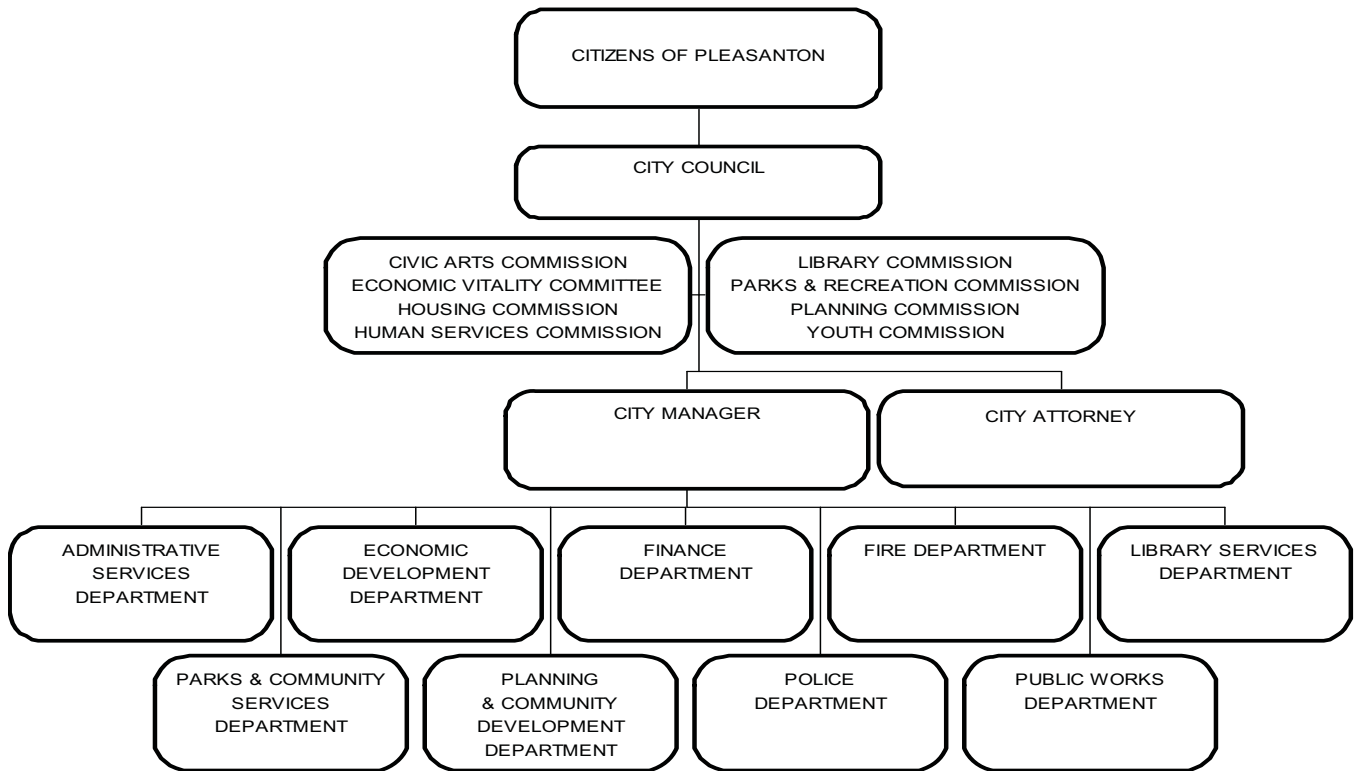
Mayor	Jennifer Hosterman
Vice Mayor	Cindy McGovern
Council Member	Cheryl Cook-Kallio
Council Member	Matt Sullivan
Council Member	Jerry Thorne

ADMINISTRATIVE PERSONNEL:

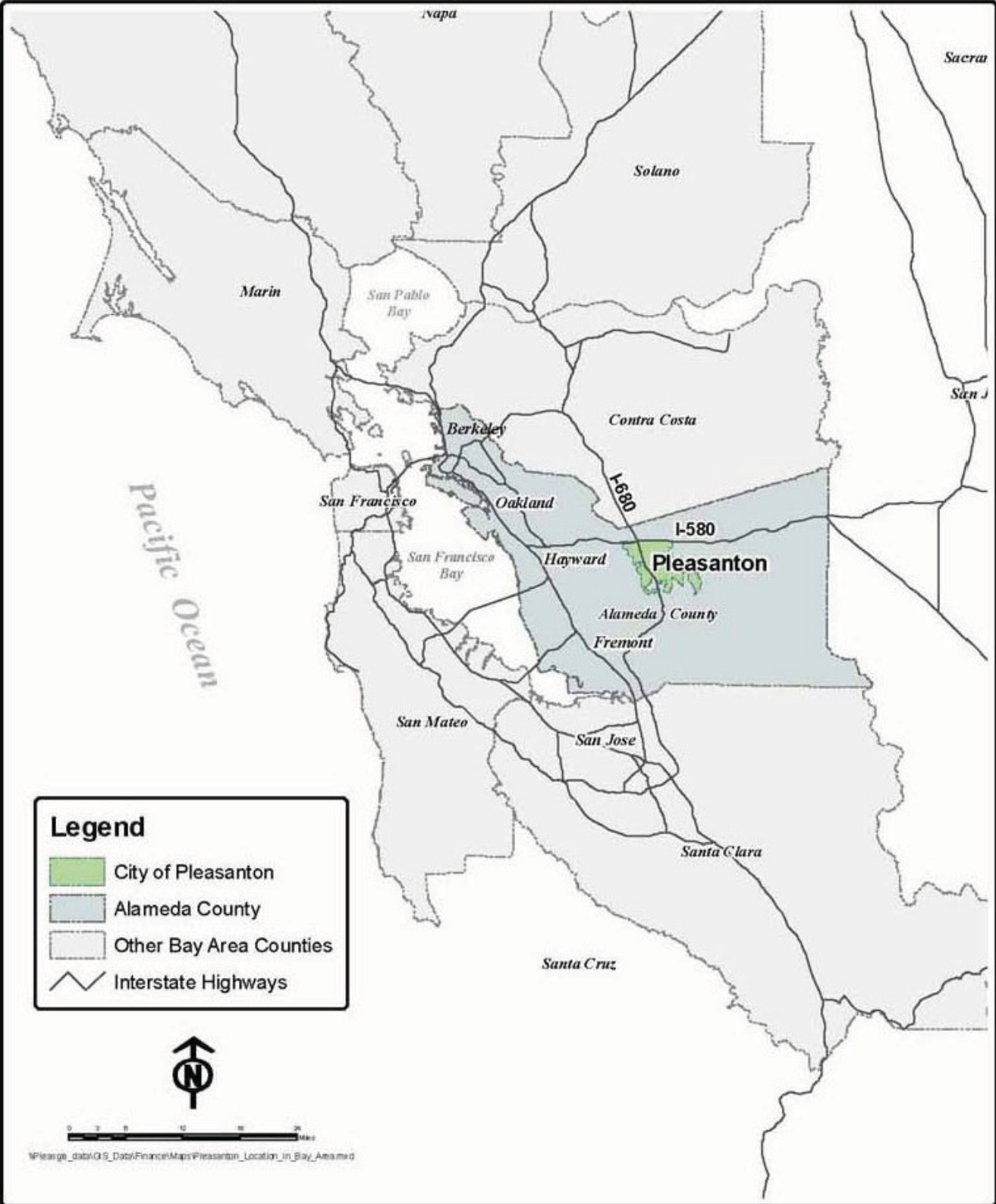
City Manager	Nelson Fialho
City Attorney	Michael Roush
Assistant City Manager	Steven Bocian
Deputy City Manager	Julie Yuan-Miu
City Clerk	Karen Diaz
Director of Finance	David Culver
Director of Public Works	Rob Wilson
Director of Planning & Community Development	Jerry Iseron
Director of Parks & Community Services	James Wolfe
Director of Library Services	Julie Farnsworth
Fire Chief	Bill Cody
Chief of Police	Michael Fraser
Director of Economic Development	Pamela Ott

CITY OF PLEASANTON

ORGANIZATION CHART AS OF JUNE 30, 2007



Pleasanton, California.



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of City Council
of the City of Pleasanton
Pleasanton, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pleasanton, California (City), as of and for the year ended June 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with generally accepted accounting principles in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2007, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying required supplementary information, such as management's discussion and analysis, budgetary comparison information and other information is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the Required Supplementary Information. However, we did not audit the information and express no opinion on it.

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San Diego, California 92111

To the Honorable Mayor and Members of City Council
of the City of Pleasanton
Pleasanton, California
Page 2

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information is presented for purpose of additional analysis and is not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Capricci & Carson

Oakland, California
December 14, 2007

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)**

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Pleasanton's (City) Comprehensive Annual Financial Report presents a narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2007 (FY07). We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the City's basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded liabilities by \$831.6 million (net assets). Of this amount, \$197.7 million (unrestricted net assets) may be used to meet the City's ongoing obligations to its citizens, businesses, and creditors, \$51.0 million is restricted for specific purposes (restricted net assets), and \$582.9 million is invested in capital assets, net of related debt.
- The City's total net assets increased by \$24.8 million during the fiscal year, a 3.1 percent increase. Of this amount, \$14.0 million was attributable to governmental activities, a 2.5 percent increase, and \$10.8 million was attributable to business-type activities, a 4.3 percent increase.
- The City's governmental funds reported ending fund balances of \$112.2 million, an increase of \$3.3 million or 3.1 percent in comparison with the prior year.
- The General Fund unreserved fund balance is \$24.7 million, of which \$9.3 million is designated for economic uncertainties, \$6.1 million is designated for temporary recession, \$2.3 million is designated for carryover appropriations, \$5.0 million is designated for capital projects, and \$2.0 million is designated for golf debt service. The reserved portion of the fund balance is \$1.4 million and is primarily for encumbrances.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this report consists of four parts – the Independent Auditor's Report, management's discussion and analysis (this portion), the basic financial statements including the required supplementary information, and other supplementary information. The basic financial statements include two kinds of statements that present different views of the City.

- The **Government-wide** financial statements provide both long-term and short-term information about the City's overall financial status.
- The **Fund** financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
 - **Governmental fund** statements tell how general government services such as police, fire and public works were financed in the short-term, as well as what remains for future spending.

- **Proprietary fund** statements offer short and long-term financial information about the activities the City operates like businesses, such as water and sewer services.
- **Fiduciary fund** statements provide information about the financial relationships in which the City acts solely as a trustee or agent for the benefit of others, to whom the resources belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The notes are followed by required supplementary information that consists of major governmental fund budgetary comparison schedules and the Pension Plan Schedule of Funding Progress. After these required elements, we have included supplementary information consisting of combining statements that provide details about our non-major governmental funds, non-major enterprise funds, internal service funds and agency funds.

The government-wide financial statements and the fund financial statements present different views of the City, as described below.

Government-wide Financial Statements are designed to provide readers with a broad overview of City finances, in a manner similar to a private-sector business. The government-wide financial statements include the City (primary government) and the Housing Authority of the City of Pleasanton (Housing Authority) as a component unit. The City Council serves as the Board for the Housing Authority. Financial information for the Housing Authority is blended with the City's financial information. Although it is a legally separate entity, in substance, it is an integral part of the City's operations.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as an indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows (accrual basis of accounting). Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expenses pertaining to interest on long-term debt.

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or in part a portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, planning and community development, public works, and community activities (parks, recreation, library). The business-type activities of the City include water, sewer, golf, transit, storm drain, and cemetery, as well as the Housing Authority as a component unit.

Fund Financial Statements use fund accounting to segregate accounts for specific activities or objectives, including demonstrating finance-related legal compliance. All of the funds of the City can be divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*, as described below.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows* and *outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year.

The governmental funds focus is narrower than that of the government-wide financial statements. It is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. This comparison facilitates a better understanding of the long-term impact associated with the government's near-term financing decisions. The governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains several individual governmental funds organized according to their type (general, special revenue, debt service, and capital projects). Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the *major funds* (see *Notes to Basic Financial Statements*).

Data from the remaining non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements*.

Proprietary funds are generally used to account for services for which the City charges customers – either outside customers, or internal units of departments of the City. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City maintains two types of proprietary funds, *enterprise funds* and *internal service funds* as described below.

- *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for water, sewer, golf, transit, storm drain, cemetery, and the Housing Authority.
- *Internal service funds* are used by the City to establish reserves and account for employee benefits, public art acquisition and maintenance, replacement/renovation, liability insurance, and retiree medical benefits. These funds serve both governmental and business-type functions and so they are allocated accordingly in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements*.

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Since the resources of these funds are not available to support the City's own programs, they are not reflected in the government-wide financial statements.

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information includes information describing the City's progress towards funding its pension plan. The City participates in California's Public Employees Retirement System (CalPERS). Budgetary comparison schedules have been provided for the major governmental funds to demonstrate compliance with the budget. The City adopts a two-year budget in June of every odd numbered year. An update of the second year is presented to the City Council and amendments adopted in the June preceding the start of the second year.

Supplementary Information includes information for non-major governmental, non-major enterprise, internal service, and agency funds, and is presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following section provides a comparative analysis of government-wide data for the fiscal years 2006 and 2007. The Statement of Net Assets for the two years will be discussed first, followed by a discussion of the Changes in Net Assets for the two years.

The following table is a summary of the Statement of Net Assets as of June 30, 2006 (2006) and June 30, 2007 (2007):

City of Pleasanton Net Assets (in millions of dollars)								Total Percentage Change 2006 to 2007
	Governmental Activities		Business-type Activities		Total			
	2006	2007	2006	2007	2006	2007		
Current and other assets	\$196.0	\$207.0	\$66.2	\$62.2	\$262.2	\$269.2	2.6%	
Capital assets	407.0	409.8	197.8	209.8	604.8	\$619.6	2.4%	
Total assets	\$ 603.1	\$ 616.8	\$ 264.0	\$ 272.0	\$ 867.1	\$ 888.8	2.5%	
Long-term liabilities	39.1	37.7	7.0	5.6	46.1	43.4	-5.9%	
Other liabilities	7.6	8.8	6.5	5.1	14.1	13.8	-1.9%	
Total liabilities	\$ 46.7	\$ 46.5	\$ 13.5	\$ 10.7	\$ 60.2	\$ 57.2	-4.9%	
Net Assets:								
Invested in capital assets net of related debt	376.5	378.7	190.7	204.2	567.2	582.9	2.8%	
Restricted	47.8	50.3	0.8	0.7	48.6	51.0	4.9%	
Unrestricted	132.1	141.3	58.9	56.4	191.0	197.7	3.5%	
Total net assets	\$556.3	\$570.3	\$250.5	\$261.3	\$806.8	\$831.6	3.1%	

Analysis of Net Assets - With the consolidation of government-wide net assets into one statement and other changes such as the exclusion of fiduciary funds, net assets may now serve as a useful indicator of a government's financial position. For the City, assets exceeded liabilities by \$831.6 million at the close of the current fiscal year. The City reported positive balances in all three categories of net assets, as well as for its separate governmental and business-type activities. Following are the primary components of the City's net assets:

- The *unrestricted net assets* of \$197.7 million (23.8 percent of the total) represent amounts that may be used to meet the City's ongoing obligations to its residential and business community, taxpayers, customers, and creditors. Governmental activities account for \$141.3 million of the unrestricted net assets of the City and business-type activities account for \$56.4 million.
- The net assets invested in capital assets (e.g. infrastructure, land, buildings, improvements other than buildings, construction in progress, and equipment), less any related debt used to acquire assets still outstanding are \$582.9 million (70.1 percent of the total). The City uses these capital assets to provide services to the community; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since generally capital assets are not used to liquidate these liabilities. The City's net investment in capital assets grew by \$14.8 million (2.4 percent) in 2007. Additions totaled \$34.5 million, of which \$13.5 million were developer dedications (\$6.1 million land dedications, \$7.4 million infrastructure dedications). Additions included street improvements (\$4.4 million), golf course developer land dedications (\$4.9 million), land dedications (\$1.2 million), City water/sewer/storm additions and improvements (\$8.1 million), vehicle, equipment and facility improvements (\$1.7 million), and increases in construction in progress (\$14.2 million). These additions were partially offset by depreciation and retirements of existing capital assets (\$19.7 million). At the same time, debt principal was reduced due to normal amortizations.

- The remaining net assets of \$51.0 million (6.1 percent of the total) represent resources that are subject to external restrictions on how they may be used. Among these amounts are \$34.3 million restricted for the construction of major capital projects and for capital maintenance, \$1.1 million to pay for upcoming debt payments, and \$15.6 million for all other. These amounts vary from year to year, so a comparison of 2006 and 2007 is not particularly meaningful.

The following table reflects the change in net assets for governmental and business-type activities:

City of Pleasanton Changes in Net Assets (in millions of dollars)							
	Governmental Activities		Business-type Activities		Total		Total % Change
	2006	2007	2006	2007	2006	2007	
Revenues:							
Program revenues:							
Charges for Services	\$24.7	\$22.8	\$31.2	\$34.6	\$55.9	\$57.3	2.5%
Operating grants & contributions	5.7	3.6	-	-	5.7	3.6	-36.1%
Capital grants & contributions	12.4	10.1	7.6	12.1	19.9	22.2	11.6%
Interfund charges	1.3	1.4	-	-	1.3	1.4	2.1%
General revenues:							
Property taxes	41.3	45.3	-	-	41.3	45.3	9.9%
Sales taxes	21.0	21.1	-	-	21.0	21.1	0.1%
All other taxes	10.6	9.7	-	-	10.6	9.7	-8.8%
All other general revenues	4.9	10.4	1.7	3.0	6.6	13.4	104.1%
Total revenues	\$121.8	\$124.4	\$40.5	\$49.7	\$162.3	\$174.0	7.2%
Expenses:							
General government	10.1	13.1	-	-	10.1	13.1	29.0%
Public safety	43.3	45.4	-	-	43.3	45.4	4.9%
Public works	26.1	26.1	-	-	26.1	26.1	0.2%
Community Activities	17.8	19.7	-	-	17.8	19.7	10.6%
Water	-	-	15.2	16.4	15.2	16.4	7.9%
Sewer	-	-	11.5	12.1	11.5	12.1	5.9%
Golf	-	-	2.8	5.9	2.8	5.9	110.1%
Other	8.7	6.8	2.2	2.4	10.8	9.2	-15.1%
Interfund charges	-	-	1.3	1.4	1.3	1.4	2.1%
Total expenses	\$105.9	\$111.0	\$32.9	\$38.2	\$138.9	\$149.2	7.5%
Revenues over (under) expenses	\$15.9	\$13.4	\$7.6	\$11.5	\$23.5	\$24.8	5.8%
Transfer In/(Out)	(4.4)	0.6	4.4	(0.6)	0.0	0.0	0.0%
Change in net assets	\$11.5	\$14.0	\$11.9	\$10.8	\$23.5	\$24.8	5.8%
Net assets, beginning of year	544.8	556.3	238.6	250.5	783.3	806.8	3.0%
Net assets, end of year	\$556.3	\$570.3	\$250.5	\$261.3	\$806.8	\$831.6	3.1%

Changes in Net Assets

Governmental Activities increased the City's net assets by \$14.0 million, thereby accounting for 56.5 percent of the total growth in net assets of the City. This change is primarily the result of the following:

- The cost of governmental activities was \$111.0 million including expenses for general government, public safety, public works, and community activities. The expenses do not reflect capital outlays but rather include \$11.8 million in depreciation expenses.
- Program revenues only provided \$37.9 million of the resources to offset the cost of governmental activities:
 - Charges for services such as building permits, dog licenses, planning and engineering fees, recreation, and library fees totaled \$22.8 million.

- Capital grants and contributions provided \$10.1 million, including development related fees of \$3.4 million, contributions of \$0.7 million, and \$3.4 million in land and infrastructure dedications.
- Operating grants and contributions totaled \$3.6 million.
- Interfund charges totaled \$1.4 million.
- General revenues and transfers totaled \$87.1 million and included:
 - Tax revenues of \$76.1 million.
 - Investment income (not restricted to specific programs) of \$9.6 million.
 - Miscellaneous revenues and transfers between governmental activities and business-type activities of \$1.4 million.

Business-type activities increased the City's net assets by \$10.8 million or 43.5 percent of the total growth in the net assets of the City. The increase is due primarily to:

- Capital contributions of \$12.1 million, of which \$10.1 million was dedicated infrastructure related to new development and land. Water increased \$1.9 million, sewer increased \$1.9 million, golf increased \$5.9 million, and storm drain increased \$2.4 million.
- Unrestricted investment income of \$2.2 million.
- Miscellaneous income of \$0.8 million.
- Offset by transfers of \$0.6 million; and expenses exceeding charges for services by \$3.7 million, of which \$1.4 million are interfund charges.

Year to Year Variations in Revenues and Transfers

The City's total revenues were \$174.0 million for the year ended June 30, 2007, an increase of \$11.7 million from the prior year. Revenues from governmental activities totaled \$124.4 million, an increase of \$2.6 million. This increase is mostly due to increases in tax and investment income of \$9.5 million, offset by a decrease in motor vehicle in lieu fees of \$1.1 million and a decrease in program revenues of \$6.2 million. Interfund charges increased by \$0.1 million. Revenues from business-type activities totaled \$49.7 million, an increase of \$9.2 million. This increase is mostly due to increases in capital contributions of \$4.5 million (which includes \$5.9 million received this year in the golf fund from developers), increases in charges for services of \$3.3 million (which includes \$4.6 million from Callippe Preserve Golf Course this year), and an increase in investments of \$1.1 million.

Program revenues include charges for services, grants, contributions and interfund charges. Program revenues provided \$84.5 million (48.6 percent of the total revenues). Program revenues made up 30.5 percent of governmental activities revenue. In the prior year, program revenues accounted for 36.2 percent of governmental activities revenue. Program revenues accounted for 94.0 percent of business-type activities revenue, compared to 95.8 percent in 2006. Interfund charges reflect transactions between funds. The year to year change is minimal.

General revenues include, among other things: taxes, intergovernmental revenues such as vehicle license fees (VLF), franchise taxes, and investment income not restricted to specific programs. General revenues provided \$89.5 million (51.4 percent of the total revenues), and increased by 12.6 percent from fiscal year 2006. The majority of general revenues came from property, sales, and other taxes (85.0 percent of general revenues). Only 3.4 percent of the general revenue relates to business-type activities revenue.

Transfers between governmental and business-type activities were \$0.6 million this year, compared to \$4.4 million in 2006.

Year to Year Variations in Expenses

Expenses of the City for the year totaled \$149.2 million. Governmental activities incurred \$111.0 million in expenses (74.4 percent of the total), and business-type activities incurred \$38.2 million in expenses during the year (25.6 percent of the total).

Expenses were up \$10.3 million (7.4 percent overall) in 2007 compared to 2006. Governmental activities increased \$5.1 million (4.8 percent), due mostly to an increase in general government expenses of \$3.0 million (due to increased personnel costs and an increase in internal service fund charges of \$1.9 million), an increase in public safety expenses of \$2.1 million (due to personnel cost increases and increased funding to equipment/facility replacement funds), and an increase in community activities expenses of \$1.9 million (due mostly to increased personnel costs and increased funding to equipment/facility replacement funds). These increases were offset by decreases in planning and community development expenses (\$1.8 million) and on interest on long-term liabilities (\$0.1 million). Business-type activities increased \$5.3 million (16.1 percent) due mostly to an increase of \$1.2 million in the water enterprise and an increase of \$3.1 million in the golf enterprise (FY07 was the first full year of operations for Callippe Preserve Golf Course).

An analysis of key changes at the governmental funds level and proprietary funds level is provided in the following **Fund Financial Analysis** section.

FUND FINANCIAL ANALYSIS

The City uses *fund accounting* to segregate accounts for specific activities or objectives, including demonstrating finance-related legal compliance.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of resources that are available to provide services and capital project construction. In particular, unreserved fund balance may serve as a useful measure of a government's net spendable resources.

As of the end of the current fiscal year, the City's governmental funds reported combined fund balances of \$112.2 million, an increase of \$3.3 million in comparison with the prior year. Approximately \$110.4 million of the amount constitutes *unreserved fund balance*.

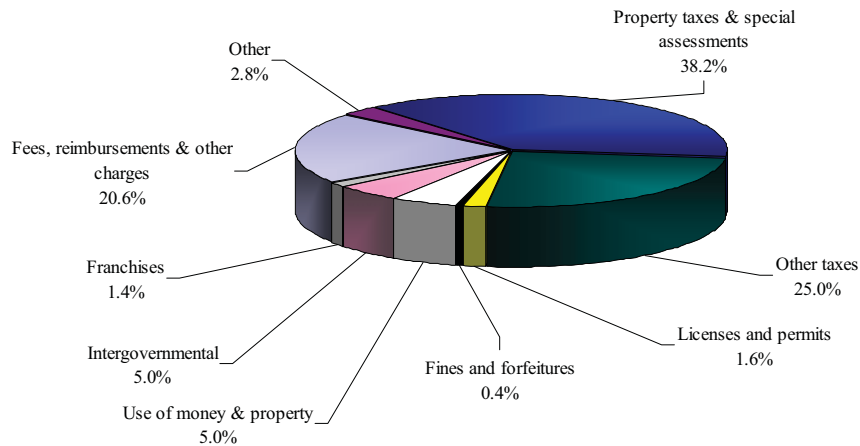
The net increase in fund balance is mostly due to increases in the General Fund of \$1.6 million and in the Lower Income Housing Fund of \$1.7 million.

Reserves in the General Fund are increasing for future capital projects and debt service, and as a protection against unknown economic conditions. While there are no major Capital Project funds in 2007, in general, project expenditures vary from year to year, and reserves are being established to fund specific projects in the coming years. Reserves in the Lower Income Housing fund will be used to expand affordable housing opportunities. The remainder of the governmental funds combined fund balance (\$1.8 million) is *reserved* to indicate that it is *not* available for new spending because it has been encumbered or committed to pay debt service.

The following table presents the amount of revenues from various sources, as well as increases or decreases from the prior year.

City of Pleasanton Revenues Classified by Source Governmental Funds (in millions of dollars)							
Revenues by Source	FY 2006		FY 2007		Increase/(Decrease)		
	Amount	% of Total	Amount	% of Total	Amount	Percent	
Property taxes & special assessments	\$41.5	36.6%	\$45.5	38.2%	4.1	9.8%	
Other taxes	28.0	24.7%	29.9	25.0%	1.9	6.9%	
Licenses and permits	2.0	1.8%	2.0	1.6%	-0.1	-4.0%	
Fines and forfeitures	0.6	0.5%	0.5	0.4%	0.0	-8.6%	
Use of money & property	2.8	2.4%	5.9	5.0%	3.2	114.2%	
Intergovernmental	6.2	5.5%	5.9	5.0%	-0.2	-3.9%	
Franchises	1.6	1.4%	1.7	1.4%	0.1	9.4%	
Fees, reimbursements & other charges	27.1	23.9%	24.6	20.6%	-2.5	-9.2%	
Other	3.5	3.1%	3.3	2.8%	-0.2	-5.9%	
Total	\$113.2	100.0%	\$119.4	100.0%	6.2	5.5%	

**Revenues by Source
Governmental Funds**



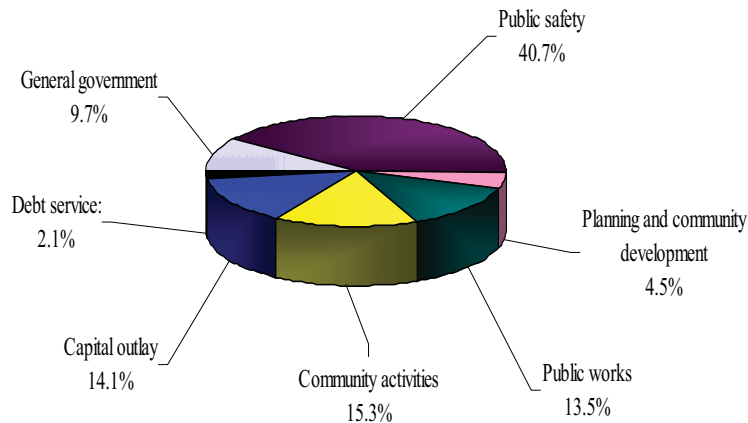
The following provides an explanation of revenues by source that changed significantly from the prior year.

- **Property taxes** increased by \$4.0 million, from \$41.3 million to \$45.3 million during the year (9.7 percent increase). This increase is primarily due to a \$1.2 billion (8.6 percent) increase in the secured property tax assessment roll in comparison to the prior year, which accounts for about \$2.4 million of the increase. Supplemental taxes decreased approximately \$0.2 million in 2007. In addition, as a result of a State constitutional amendment (Proposition 1A) approved by the voters in November 2004, the City receives additional property tax dollars in lieu of vehicles license fees, which totaled about \$4.4 million in 2007. Offsetting these increases, as part of the State budget solution, the State made one-time additional property tax shifts away from local governments (ERAF III) in 2005 and 2006. The City lost \$1.9 million in 2006 due to ERAF III. There is no ERAF III shift for local governments in 2007, with the net effect being an additional \$1.9 in property tax revenue compared to 2006.
- **Other taxes** increased \$1.9 million (6.9 percent). This increase is primarily due to a \$1.8 million increase in sales tax revenue. In addition, increases in the transient occupancy tax of \$0.3 million and the business license tax of \$0.1 million were offset by a reduction in the documentary transfer tax of \$0.3 million.
- **Use of money and property** (interest income and rents) increased by \$3.2 million (114.2 percent). The majority of this increase (\$2.1 million) is due to interest earnings. The increase is attributable to both an increase in investment interest rates and larger average cash balances in many of the funds. The City investment portfolio consists of mainly U.S. Treasuries and U.S. Agencies. The average rate of return on the investment portfolio in FY 2005-06 was 3.4% while the average rate of return in FY 2006-07 was approaching 5%. GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, requires that the City's investments be carried at fair market value instead of cost. As a result, changes in value at the end of 2007 compared to 2006 accounted for \$1.0 million of the \$3.2 million increase.
- **Fees, reimbursements & other charges** decreased by \$2.5 million (9.2 percent). Within this category, development related revenues vary from year to year and accounted for \$3.1 of this decrease, which was offset by increases in recreation charges (\$0.3 million) and reimbursements in the General Fund (\$0.8 million).
- **All other revenues** reflect a small net decrease of \$0.4 million. These revenues *include licenses and permits, fines and forfeitures, intergovernmental, franchises, & other miscellaneous*. Revenue variances within these categories included a decrease in State vehicle license in lieu fees (\$1.1 million) and a net increase in State grants (\$0.7 million).

The following table presents expenditures by function compared to prior year amounts.

City of Pleasanton Expenditures Classified by Function Governmental Funds (in millions of dollars)						
Expenditures by Function	FY 2006		FY 2007		Increase/(Decrease)	
	Amount	% of Total	Amount	% of Total	Amount	Percent
Current:						
General government	\$10.3	9.9%	\$11.4	9.7%	\$1.1	10.7%
Public safety	43.8	42.0%	47.6	40.7%	3.8	8.7%
Planning and community	7.6	7.3%	5.3	4.5%	-2.3	-30.3%
Public works	15.4	14.8%	15.8	13.5%	0.4	2.6%
Community activities	16.2	15.5%	17.9	15.3%	1.7	10.5%
Capital outlay	8.5	8.1%	16.5	14.1%	8.0	94.1%
Debt service:						
Principal	1.3	1.2%	1.3	1.1%	0.0	0.0%
Interest and fiscal charges	1.2	1.2%	1.2	1.0%	0.0	0.0%
Total	\$104.3	100.0%	\$117.0	100.0%	\$12.7	12.2%

Expenditures by Function
Governmental Funds



The following provides an explanation of the expenditures by function that changed significantly over the prior year.

- **General Government** – The net increase of \$1.1 million is mostly due to increased personnel costs (\$0.8 million) and increased expenditures for professional and legal services (\$0.3 million).

- **Public Safety** - The net increase of \$3.8 million is mostly due to increased personnel costs including salary and benefit costs. Police department personnel costs increased \$1.0 million, Pleasanton share of the Livermore-Pleasanton Fire Department increased \$0.7 million, and the City of Livermore's share increased \$0.6 million. The City also increased funding from public safety to the Replacement/Renovation Internal Service Fund for future equipment and facilities replacements by \$1.0 million this year.
- **Planning and community development** - The net decrease of \$2.3 million is mainly due to a decrease in loan expense this year in the Lower Income Housing Fund. Fluctuations in costs relate to year-to-year variations in affordable housing programs expenditures. Last years increase included a \$2.7 million loan for a new assisted living facility. No new loans were entered into agreement this year. This decrease was offset by an increase in recycling expense of \$0.4 million, which was due primarily to increased funding for the residential food scrap recycling program.
- **Public works** - The net increase of \$0.4 million is mostly due to increased personnel costs of \$.06 million and increased non-personnel costs of \$0.3 million.
- **Community activities** - The net increase of \$1.7 million is mostly due to increased personnel costs of \$0.7 million, increased costs for materials and supplies of \$0.2 million, and increased funding of \$0.7 million from community activities to the Replacement/Renovation Internal Service Fund for future equipment and facilities replacements.
- **Capital outlay** also varies from year to year and increased by \$8.0 million (94.1 percent). Significant project costs were incurred this year in the following projects: Veterans Memorial Building Renovation project (\$3.6 million), Bernal Creek Restoration project (\$1.7 million), Kottinger Creek Restoration project (\$1.0 million), and the Vineyard Avenue Median and Rubberized Asphalt project (\$0.8 million).

Major Governmental Funds

The **General Fund** is always one of the major *Governmental funds*, and is the primary operating fund of the City where most City services are accounted for, including: public safety, public works, parks and community services, library, planning and community development, and general government.

By policy, the City maintains a reserve for economic uncertainties equal to 10.0 percent of annual General Fund revenues. Also by policy, any one-time revenue sources are used for one-time purposes, such as capital projects.

General Fund budget to actual variances for the year ending June 30, 2007, will be discussed in more detail starting on page 15. The following is a summary:

- Revenues were less than projections by \$0.2 million (0.2 percent) due mostly to property and sales tax revenues being less than expected. This was offset by use of money and property and interest income exceeding expectations.
- Expenditures net of transfers out were less than expected by \$3.5 million.

- After carrying over \$2.3 million in appropriations to FY08 for outside services and other items that were not complete by year-end, the result was an unbudgeted surplus of \$1.0 million. The entire surplus was added to Temporary Recessions bringing its balance to \$6.1 million.

The following table summarizes all General Fund reserves and designations, showing the beginning balances, plus changes resulting from FY07 operations and transfers to the CIP, and the resulting ending balances.

**City of Pleasanton
General Fund Reserves and Designations at 6/30/07**

	Balance 6/30/2006	Budgeted Additions	Year-end 07 Actual Additions	Budget to Actual Variance	Balance 6/30/2007
Reserved:					
Encumbrances	\$ 560,957	\$ -	\$ 744,698	\$ 744,698	\$ 1,305,655
Inventory	44,307	-	10,836	10,836	55,143
Unreserved, designated:					
Economic Uncertainty	8,610,000	670,000	650,000	(20,000)	9,260,000
Carryovers	3,905,653	(3,093,565)	(1,551,721)	1,541,844	2,353,932
Golf Debt Service	2,500,000	(500,000)	(500,000)	-	2,000,000
Capital Projects	3,800,000	1,200,000	1,200,000	-	5,000,000
Temporary Recession	5,100,000	-	1,000,000	1,000,000	6,100,000
TOTAL	\$ 24,520,917	\$ (1,723,565)	\$ 1,553,813	\$ 3,277,378	\$ 26,074,730

While the City maintains the above reserves and designations consistent with its formal financial policies, only \$1.3 million of the \$26.1 million ending fund balance was contractually committed (encumbered). This encumbrance, along with the gasoline inventory balance of \$55.1 thousand, is reflected on the Governmental Funds Balance Sheet as the “reserved” portion of the General Fund’s total fund balance as of June 30, 2007. The remaining \$24.7 million is reported as “unreserved” but designated. These City Council approved designations represent plans for financial resource utilization in a future period, but are subject to change.

The City’s *Special Revenue* funds are used to account for revenues that carry restrictions on their use, such as gas tax revenues, grants and contributions.

- Some special revenues are restricted for capital use and some are restricted for specific kinds of operating expenditures. Others can be used for a combination of uses.
- Examples of the types of uses for these revenues include street and park construction and improvement projects and certain operating expenditures such as grant funded public safety equipment, recycling programs and housing assistance programs.
- Highlights of the *major Special Revenue* funds include:
 - The *Lower Income Housing fund* is funded with developer fees, and other financing sources such as State loans. The money is used to provide both rental and ownership affordable housing in the City through programs that subsidize rents and provide secondary financing to first-time homebuyers. Examples of recent projects include an assisted living project on City-owned land, a down payment assistance program for first-time home buyers, and financial assistance to a senior housing (rental apartments) project. The Parkview assisted living facility was completed and occupied in spring 2007 with the help of approximately \$2.7 million in City loans.

- The Livermore-Pleasanton Fire Department (Livermore Share Only) fund accounts for Livermore's share of the costs for the joint fire department between the neighboring cities. Expenses were about 4.4 percent greater this year than in 2006, due primarily to increased overtime costs.

The City's *Capital Project* funds are used to account for large construction and improvement projects.

- Funding sources include routine annual and one-time transfers from the *General Fund* and developer impact fees and contributions.
- Because projects vary from year to year, a financial comparison between years has little meaning.
- The City's policy is to not start projects that have significant developer funding expected until the fees have been received. This practice helps avoid committing to a project one year and then finding that a weakening economy in the following year results in developer fee funding shortfalls in the midst of project construction.
- None of the *Capital Project* funds was classified as a major fund in 2007.

The City had two *Debt Service* funds remaining as of June 30, 2007. The debt financed construction of City facilities such as the Senior Center, Callippe Preserve Golf Course and the Operations Service Center. None of the *Debt Service* funds was classified as a major fund in 2007.

Proprietary funds. The City's proprietary funds statements provide the same type of information found in the government-wide financial statements, but in more detail.

At the end of the fiscal year, the unrestricted net assets consisted primarily of \$23.7 million for the Water Fund, \$27.1 million for the Sewer Fund, \$3.0 million for the Golf Fund, and \$1.3 million for the remaining *non-major enterprise funds*. Included within the unrestricted net assets, among other things, are amounts already committed for capital projects.

Net assets of the proprietary funds increased \$10.9 million, including \$2.9 million in the Water Fund, \$2.6 million in the Sewer Fund, \$3.7 million in the Golf Fund, and a \$1.7 million increase in the non-major enterprise funds.

- The increase in the Water Fund was due primarily to capital contributions of \$1.9 million and interest income of \$1.3 million; offset by an operating loss of \$0.7 million. This year, all capital contributions were from developers for water infrastructure improvements at various single-family residential subdivisions throughout the City.
- The increase in the Sewer Fund was due primarily to capital contributions of \$1.9 million, equity interest in gain from joint ventures of \$2.4 million, and interest income of \$0.6 million; offset by an operating loss of \$2.1 million. This year, all capital contributions were from developers for sewer infrastructure improvements at various single-family residential subdivisions throughout the City.

- This was the first full year of operations for the City's Callippe Preserve Golf Course. Net assets increased by \$3.7 million, due primarily to capital contributions of \$5.9 million and interest income of \$0.2 million; offset by an operating loss of \$1.3 million and net transfers of \$1.1 million to non-governmental funds for debt service. Of the \$5.9 million capital contributions, \$4.9 million were land dedications (\$4.6 million for Callippe Golf Course and \$0.3 million for open space on golf course property).
- The net increase in the non-major enterprise funds was due primarily to a \$1.5 million increase in the Storm Drain Fund, resulting mostly from capital contributions of \$2.4 million; offset by an operating loss of \$1.1 million. The capital contributions included storm drain infrastructure improvements by developers at various single-family residential subdivisions throughout the City (\$1.4 million) and transfers (\$1.0 million) from governmental funds for storm drain improvements completed during the Kottinger Creek Restoration and Vineyard Avenue Roundabout Removal projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

The following table displays the General Fund's original budget, final budget and actual results for 2007 revenue, expenditures and transfers. Revenues were less than projections by 0.2 percent (\$0.2 million) and expenditures net of carryovers were under budget by about 1.7 percent (\$1.5 million).

Differences between the original and final revenue budget reflect an increase of \$3.8 million (4.3 percent), and reflect (among other things) adjustments in projections for property, sales and other tax revenues (\$3.4 million increase), permits (\$0.4 million decrease), development fees (\$0.3 million increase) and reimbursements (\$0.5 million increase). Differences between the original and final expenditure budget represent a \$3.2 million increase (3.9 percent), and relate mostly to carryover appropriations from the prior year (\$3.1 million).

General Fund 2006-07 Budgetary Comparison

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
Revenues	\$89,044,414	\$92,892,721	\$92,693,918	(\$198,803)
Expenditures	83,918,054	87,149,926	83,370,610	3,779,316
Other Financing Sources(Uses):				
Transfers in	23,640	23,640	23,640	0
Transfers out	(7,400,000)	(7,490,000)	(7,793,135)	(303,135)
Net change in fund balance	(\$2,250,000)	(\$1,723,565)	\$1,553,813	\$3,277,378

General Fund actual revenues were less than expected by \$0.2 million in 2007. The revenue category that significantly exceeded budget was use of money and property (\$0.7 million) due to investment interest rates being higher than anticipated. This increase was offset by decreases in expected revenue from property and sales taxes (\$0.7 million) and miscellaneous revenue (\$0.2 million). Estimates for secured and unsecured property tax are provided by the County. However, actual tax collections were lower than the County's estimates due to delinquencies, foreclosures, and assessment appeals during 2006-07.

Expenditures net of transfers out were less than expected by \$3.5 million. Of the \$3.5 million, \$2.3 million in appropriations were carried over to 2008, leaving a net variance of \$1.2 million in expenditures (after carryovers). Most of the variance was in personnel costs (\$1.1 million under budget).

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2007 was \$619.6 million (net of accumulated depreciation). This investment in capital assets includes: infrastructure, land, buildings, improvements other than buildings, vehicles and equipment, and construction in progress. The total increase in the City's investment in capital assets for the current period was \$14.8 million (2.4 percent).

Major capital asset events during the current fiscal year included:

- Governmental activities totaling \$14.5 million included:
 - City street improvements of \$4.4 million (of which \$2.2 million was dedicated infrastructure); and developer land dedications of \$1.2 million (of which \$0.9 million was land dedications along Vineyard Avenue).
 - Replacement of vehicles and equipment and repairs of facilities (\$1.5 million).
 - Increase in construction in progress (\$7.4 million). Major increases occurred in the Veteran's Building Remodel (\$3.8 million) and the Bernal Creek Restoration (\$1.8 million) projects.
- These additions were offset by decreases due to depreciation and retirements of existing capital assets of \$11.7 million.
- Business-type activities totaling \$20.0 million included:
 - Golf course developer land dedications (\$4.9 million).
 - Various City water/sewer/storm drain projects of \$8.1 million, of which \$5.2 million were dedications of infrastructure.
 - Increase in construction in progress (\$6.8 million). Major increases occurred in the Vineyard Reservoir and Water Pump Station (\$4.0 million) and Santos Ranch Pump Station (\$2.0 million) projects.
- These additions were partially offset by decreases due to depreciation and retirements of existing capital assets of \$8.0 million.

For government-wide financial statement presentation, all depreciable capital assets are depreciated from the acquisition date over their useful lives. Governmental Fund financial statements record capital asset purchases as expenditures.

Capital assets for the governmental and business-type activities are presented in the following table to illustrate changes from the prior year.

City of Pleasanton							
Capital Assets							
(net of depreciation, in millions of dollars)							
	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>		<u>Increase/ (Decrease)</u>
	2006	2007	2006	2007	2006	2007	% Change
Infrastructure	\$127.7	\$125.3	\$134.5	\$136.9	\$262.2	\$262.2	0.0%
Land	207.4	208.6	9.2	14.0	216.5	222.6	2.8%
Buildings	40.6	39.5	18.6	18.1	59.1	57.7	-2.5%
Improvements other than buildings	15.4	14.0	28.5	27.0	43.9	41.0	-6.7%
Vehicles & equipment	8.8	7.8	3.3	3.2	12.0	11.0	-8.9%
Construction in progress	7.2	14.6	3.8	10.6	11.0	25.2	129.2%
Total	<u>\$407.0</u>	<u>\$409.8</u>	<u>\$197.8</u>	<u>\$209.8</u>	<u>\$604.8</u>	<u>\$619.6</u>	<u>2.4%</u>

Among the significant design/construction commitments were \$4.5 million for the Alviso Adobe Restoration, \$3.5 million for the Vineyard Reservoir and Water Pump Station, \$1.0 million for the Vineyard Avenue Median and Rubberized Asphalt project, and \$0.6 for the Veteran’s Building Renovation.

Additional information about the City’s capital assets can be found in *Note 5* in the **Notes to the Basic Financial Statements**.

Debt Administration

Debt, considered a liability of governmental activities, decreased by a net \$1.3 million in FY07.

- The 2003 Certificates of Participation (COPs) outstanding were reduced by \$875,000 as the result of the normal amortization of the debt.
- The 2004 Certificates of Participation (COPs) outstanding were reduced by \$470,000 as the result of the normal amortization of the debt.

Debt of the business-type activities decreased in 2007 by \$1.4 million as the result of the normal amortization of various debt issues.

The City’s bonded indebtedness maintains a Moody’s issuer rating of Aa2. Its Certificates of Participation, and Sewer and Water Revenue bonds have underlying ratings of A1. However, all except the 2002 Sewer bonds are insured and, therefore, carry Aaa ratings.

The following table compares the outstanding balances on long-term debt of the City as of June 30, 2006 and 2007:

City of Pleasanton Long Term Debt Outstanding						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>
State CALHFA Help Program note payable	\$ 95,000	\$ 95,000	\$ -	\$ -	\$ 95,000	\$ 95,000
State CALHFA Help Loan	1,500,000	1,500,000			1,500,000	1,500,000
Golf Course Capital Lease			567,546	448,682	567,546	448,682
2003 Certificates of Participation	27,005,000	26,130,000			27,005,000	26,130,000
2004 Refunding Lease Certificates of Participation	3,555,000	3,085,000			3,555,000	3,085,000
Notes Payable - Federal Financing Bank			361,499	319,203	361,499	319,203
2002 Sewer Revenue Bonds			1,555,000	1,195,000	1,555,000	1,195,000
2004 Water Revenue Bonds			2,945,000	2,300,000	2,945,000	2,300,000
2004 Sewer Revenue Bonds			1,565,000	1,380,000	1,565,000	1,380,000
TOTAL	\$ 32,155,000	\$ 30,810,000	\$ 6,994,045	\$ 5,642,885	\$ 39,149,045	\$ 36,452,885

Additional information about the City's long-term obligations can be found in *Note 6* in the **Notes to the Basic Financial Statements**.

Economic Factors, Next Year's Budget and Rates

The East Bay Economic Update forecasts that real estate weakness will keep the East Bay economy in the doldrums through 2008, but will not be enough to generate a full blown recession. While California's year-over-year growth in non-farm payrolls has been slowing since the middle of 2006, the Bay Area had been largely immune to this slowdown due to the recovery of the technology side of the Bay Area economy. Compared to other regions in California, the East Bay's declines in real estate related employment are about average: slightly better in Construction (-1.3%), but slightly worse than average in Financial Activities (-1.9%). The biggest source of new jobs in the East Bay economy continues to be the Government sector, fueled by increased hiring in Local Government Education. Within the private sector, the continuing recovery of Computer Design related employment in the East Bay resulted in Professional Technical Services the biggest source of new private sector jobs, with continued hiring at local hospitals giving the Education/Health Care sector the second place spot. The East Bay Economic Update (prepared under the auspices of the UCLA Anderson Forecast) also identifies a resurgence of the Retail sector in the East Bay. However, due to a significant drop in this category in the second half of 2006 due to consolidation in the department store category makes it likely that the resurgence is due to re-absorption of displaced retail workers than a more permanent acceleration of employment growth.

For the Bay Area as a whole and the East Bay in particular, the 2007 housing market continues to show the pattern of flat prices and falling sales that we've seen throughout California. However, within the City of Pleasanton housing prices have declined only slightly. The change in median housing prices from August 2006 to August 2007 decreased 3.0% with the change in average price decreased 2.2%. However, the number of home sales was down 26.9% year over year at August 2006 versus August 2007.

The General Fund is in balance for the next 2 year budget cycle and reserves are strong and well funded pursuant to adopted financial policies. However, revenues will be monitored closely and with signs that the economy may be slowing budget adjustments may be necessary. The slow down in the real estate market may have an impact on property tax revenues. The 7% to 9% growth being experienced in recent years will not continue into the next two year budget cycle. Delinquencies and assessment appeals will compound this decrease which is expected to result in annual revenue growth in property taxes of 5.4%.

Water and Wastewater Enterprise Fund utility rates have not been adjusted since 2001. Studies are currently underway that will update capital replacement and renovation costs and any necessary adjustments to rates and connection fees. Both Water and Wastewater Enterprise Funds unrestricted net assets exceed the 25% reserve required by adopted financial policies.

Another factor that may contribute to any further budgetary pressure that may develop would be labor costs including retiree medical costs. While pension costs have stabilized increased contributions to retiree medical benefit costs will need to be maintained to comply with new accounting standards that require this benefit to be funded over the working life of employees as opposed to continuation of the pay-as-you-go approach.

Although there are reasons to be cautious, overall the City is in good financial condition and has the ability to adapt to whatever the future holds. We just experienced a very challenging economic period, post 9/11, funding ongoing expenditures with ongoing revenues and maintaining adequate reserves. Because of sound financial policies and decisions in the past, combined with current fiscal responsibility, the City is well positioned to meet the challenges of the future.

Request for Information

This financial report is designed to provide our residential and business community, taxpayers, customers, investors and creditors with a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, P.O. Box 520, Pleasanton, CA 94566.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of Pleasanton
Statement of Net Assets
June 30, 2007

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 190,114,995	\$ 38,199,453	\$ 228,314,448
Receivables (net):			
Accounts	6,873,065	4,267,449	11,140,514
Taxes	788,129	-	788,129
Grants	275,000	-	275,000
Interest	2,573,642	523,446	3,097,088
Internal balances	(1,319,136)	1,319,136	-
Inventory and prepaid items	55,143	146,996	202,139
Restricted cash and investments	412,354	686,964	1,099,318
Long-term receivable	-	130,409	130,409
Notes receivable	6,375,176	-	6,375,176
Bond issuance cost, net	810,991	167,168	978,159
Net investment in joint ventures	-	16,755,078	16,755,078
Capital assets:			
Nondepreciable	223,194,992	24,636,341	247,831,333
Depreciable, net	186,623,801	185,193,660	371,817,461
Total assets	616,778,152	272,026,100	888,804,252
LIABILITIES			
Accounts payable	6,308,375	4,620,111	10,928,486
Payroll payable	1,828,906	107,258	1,936,164
Interest payable	298,588	14,045	312,633
Refundable deposits	259,682	73,388	333,070
Unearned revenue	73,695	245,163	318,858
Long-term liabilities:			
Due within one fiscal year	3,396,621	1,416,860	4,813,481
Due in more than one fiscal year	34,323,816	4,226,025	38,549,841
Total liabilities	46,489,683	10,702,850	57,192,533
NET ASSETS			
Invested in capital assets, net of related debt	378,710,205	204,187,116	582,897,321
Restricted for:			
Debt service	412,354	686,964	1,099,318
Capital projects	34,279,204	-	34,279,204
Special projects	1,256,240	-	1,256,240
Community development	14,332,787	-	14,332,787
Total restricted net assets	50,280,585	686,964	50,967,549
Unrestricted net assets	141,297,679	56,449,170	197,746,849
Total net assets	\$ 570,288,469	\$ 261,323,250	\$ 831,611,719

See accompanying Notes to Basic Financial Statements.

City of Pleasanton
Statement of Activities
For the year ended June 30, 2007

Functions/Programs	Expenses	Indirect Charges	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:					
Governmental activities:					
General government	\$ 13,088,382	\$ (1,489,745)	\$ 540,607	\$ 22,439	\$ -
Public safety	45,396,698	-	14,495,113	1,342,966	-
Planning and community development	5,527,218	-	599,131	2,022,427	-
Public works	26,097,319	(763,566)	3,216,986	73,328	8,855,513
Community activities	19,673,428	902,952	3,899,454	180,133	1,258,334
Interest on long-term debt	1,232,732	-	-	-	-
Total governmental activities	111,015,777	(1,350,359)	22,751,291	3,641,293	10,113,847
Business-type activities:					
Water	16,396,875	466,157	15,964,135	-	1,908,343
Sewer	12,135,779	770,448	13,489,859	-	1,927,445
Golf	5,904,610	-	4,564,478	-	5,864,511
Transit	508,760	-	39,284	-	-
Storm drain	1,415,438	113,754	363,353	-	2,407,556
Cemetery	90,274	-	-	-	-
Pleasanton Housing Authority	397,526	-	142,447	-	-
Total business-type activities	36,849,262	1,350,359	34,563,556	-	12,107,855
Total primary government	\$ 147,865,039	\$ -	\$ 57,314,847	\$ 3,641,293	\$ 22,221,702

General Revenues:

Taxes:

Property

Other

Sales tax

Motor vehicle in lieu taxes

Franchise taxes

Total taxes - unrestricted

Investment income not restricted to specific programs

Miscellaneous

Transfers

Total general revenues and transfers

Change in net assets

Net assets - beginning of year, as restated (Note 14)

Net assets - end of year

See accompanying Notes to Basic Financial Statements.

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (11,035,591)	\$ -	\$ (11,035,591)
(29,558,619)	-	(29,558,619)
(2,905,660)	-	(2,905,660)
(13,187,926)	-	(13,187,926)
(15,238,459)	-	(15,238,459)
(1,232,732)	-	(1,232,732)
<u>(73,158,987)</u>	<u>-</u>	<u>(73,158,987)</u>
-	1,009,446	1,009,446
-	2,511,077	2,511,077
-	4,524,379	4,524,379
-	(469,476)	(469,476)
-	1,241,717	1,241,717
-	(90,274)	(90,274)
-	(255,079)	(255,079)
<u>-</u>	<u>8,471,790</u>	<u>8,471,790</u>
<u>(73,158,987)</u>	<u>8,471,790</u>	<u>(64,687,197)</u>
45,341,149	-	45,341,149
7,534,768	-	7,534,768
21,060,115	-	21,060,115
403,401	-	403,401
1,727,617	-	1,727,617
<u>76,067,050</u>	<u>-</u>	<u>76,067,050</u>
9,654,142	2,181,462	11,835,604
792,476	802,445	1,594,921
597,694	(597,694)	-
<u>87,111,362</u>	<u>2,386,213</u>	<u>89,497,575</u>
13,952,375	10,858,003	24,810,378
556,336,094	250,465,247	806,801,341
<u>\$ 570,288,469</u>	<u>\$ 261,323,250</u>	<u>\$ 831,611,719</u>

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

City of Pleasanton
Balance Sheet
Governmental Funds
June 30, 2007

	General Fund	Lower Income Housing	Livermore/ Pleasanton Fire Department (Livermore Share Only)	Non-major Governmental Funds	Total
ASSETS					
Cash and investments	\$ 21,371,858	\$ 13,194,936	\$ 1,483,635	\$ 73,213,176	\$ 109,263,605
Receivables (net):					
Accounts	5,296,446	1,663	6,397	1,540,328	6,844,834
Taxes	788,129	-	-	-	788,129
Grants	-	-	-	275,000	275,000
Interest	512,875	171,485	14,056	856,946	1,555,362
Due from other funds	1,015,617	-	-	-	1,015,617
Inventory	55,143	-	-	-	55,143
Restricted cash and investments	-	-	-	412,354	412,354
Notes receivable	80,511	6,294,665	-	-	6,375,176
Total assets	\$ 29,120,579	\$ 19,662,749	\$ 1,504,088	\$ 76,297,804	\$ 126,585,220
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,791,085	\$ 15,191	\$ 890,066	\$ 2,244,475	\$ 4,940,817
Payroll payable	1,224,447	-	599,137	-	1,823,584
Due to other funds	-	-	-	1,015,617	1,015,617
Refundable deposits	-	2,189	-	257,493	259,682
Note Payable	-	-	-	-	-
Deferred revenue	30,317	6,294,665	-	43,378	6,368,360
Total liabilities	3,045,849	6,312,045	1,489,203	3,560,963	14,408,060
Fund Balances:					
Reserved for:					
Encumbrances	1,305,655	-	-	-	1,305,655
Debt service	-	-	-	412,354	412,354
Inventory	55,143	-	-	-	55,143
Notes receivable	-	-	-	-	-
Unreserved, designated:					
General fund	24,713,932	-	-	-	24,713,932
Special revenue funds	-	13,350,704	14,885	7,512,156	20,877,745
Capital project funds	-	-	-	64,812,331	64,812,331
Total fund balances	26,074,730	13,350,704	14,885	72,736,841	112,177,160
Total liabilities and fund balances	\$ 29,120,579	\$ 19,662,749	\$ 1,504,088	\$ 76,297,804	\$ 126,585,220

See accompanying Notes to Basic Financial Statements.

City of Pleasanton

Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets - Governmental Activities

June 30, 2007

Fund Balances - Total Governmental Funds	\$ 112,177,160
Amounts reported for governmental activities in the Statement of Net Assets were different because:	
Capital assets used in governmental activities are not current financial resources. Therefore they were not reported in the Governmental Funds Balance Sheet. This amount is net of capital assets of the internal service funds in the amount of \$9,242,572.	<u>400,576,221</u>
Notes receivables are not available to pay for current-period expenditures and therefore are reported as deferred revenue in the fund financial statements.	<u>6,294,665</u>
Bond issuance costs are an expenditure in the governmental funds but are capitalized and amortized over the life of the bonds in the government-wide financial statements.	<u>810,991</u>
Internal service funds are used by management to charge the costs of employee benefits, public art acquisition and maintenance, assessment district administration, equipment replacement/ renovation and self-insurance programs to individual departments or to other governments. The assets and liabilities are included in governmental activities in the statement of net assets.	<u>81,538,020</u>
Certain liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental fund financial statements:	
2003 Certificates of Participation	(26,130,000)
2004 Certificates of Participation	(3,085,000)
Note payable to State	(1,595,000)
Accrued interest payable	<u>(298,588)</u>
Total long-term liabilities	<u>(31,108,588)</u>
Net Assets of Governmental Activities	<u>\$ 570,288,469</u>

See accompanying Notes to Basic Financial Statements.

City of Pleasanton
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2007

	General Fund	Lower Income Housing	Livermore Pleasanton Fire Department (Livermore Share Only)	Non-major Governmental Funds	Total
REVENUES:					
Taxes	\$ 75,235,506	\$ -	\$ -	\$ -	\$ 75,235,506
Special assessments	-	-	-	190,362	190,362
Licenses	11,259	-	-	-	11,259
Permits	1,950,100	-	-	-	1,950,100
Fines and forfeitures	526,208	-	-	-	526,208
Use of money and property	1,519,134	865,591	64,002	3,477,842	5,926,569
Intergovernmental	1,195,712	-	498,029	4,239,305	5,933,046
Franchises	1,727,617	-	-	-	1,727,617
Charges for services	1,111,518	-	12,127,163	29,320	13,268,001
Development fees	440,077	933,801	-	2,450,933	3,824,811
Plan check fees	924,558	-	-	-	924,558
Reimbursements	1,359,231	184,562	11,935	591,476	2,147,204
Contributions and donations	8,171	-	6,500	733,473	748,144
Other revenues	3,024,907	15,146	2,013	271,714	3,313,780
Recreation charges	3,659,920	-	-	-	3,659,920
Total revenues	92,693,918	1,999,100	12,709,642	11,984,425	119,387,085
EXPENDITURES:					
Current:					
General government	11,362,742	-	-	-	11,362,742
Public safety	34,842,528	-	12,758,819	24,876	47,626,223
Planning and community development	3,642,764	277,447	-	1,330,539	5,250,750
Public works	15,612,945	-	-	167,645	15,780,590
Community activities	17,432,117	-	-	418,835	17,850,952
Capital outlay	477,514	39,681	15,056	15,988,886	16,521,137
Debt service:					
Principal	-	-	-	1,345,000	1,345,000
Interest, fiscal charges	-	-	-	1,204,063	1,204,063
Total expenditures	83,370,610	317,128	12,773,875	20,479,844	116,941,457
REVENUES OVER (UNDER) EXPENDITURES	9,323,308	1,681,972	(64,233)	(8,495,419)	2,445,628
OTHER FINANCING SOURCES (USES):					
Issuance of loans	-	-	-	-	-
Issuance of notes payable	-	-	-	-	-
Transfers in	23,640	-	-	17,293,574	17,317,214
Transfers out	(7,793,135)	-	-	(8,636,700)	(16,429,835)
Total other financing sources (uses)	(7,769,495)	-	-	8,656,874	887,379
Net change in fund balances	1,553,813	1,681,972	(64,233)	161,455	3,333,007
FUND BALANCES:					
Beginning of year, as restated (Note 14)	24,520,917	11,668,732	79,118	72,575,386	108,844,153
End of year	\$ 26,074,730	\$ 13,350,704	\$ 14,885	\$ 72,736,841	\$ 112,177,160

See accompanying Notes to Basic Financial Statements.

City of Pleasanton

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities - Governmental Activities For the year ended June 30, 2007

Net Change in Fund Balances - Total Governmental Funds \$ 3,333,007

Amounts reported for governmental activities in the Statement of Activities and Changes in Net Assets were different because:

Governmental funds report acquisition of capital assets as part of capital outlay expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets were allocated over their estimated useful lives as depreciation expense.

Capital outlay (net of internal service funds of \$1,816,471).	9,290,386
Depreciation (net of internal service funds of \$1,435,290).	(10,316,409)

In the Statement of Activities, capital assets donated to the City are reported as program revenue, whereas in the governmental funds, capital assets donated do not increase financial resources. Thus, the change in net assets differs from the change in fund balances by the value of the asset donated.

3,361,246

In the Statement of Activities, only the gain (loss) on the sale or disposal of capital assets is reported and allocated to the various program revenues and expenses, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balances by the cost of the asset sold.

101,353

Loans receivable are not considered available revenue and are deferred in the governmental funds. However, those loans are considered earned and recognized as revenue in the government-wide statement of activities. This amount represents current year's activities.

(175,488)

Certain accounts receivable are not considered available revenue and therefore are not recognized in the governmental funds. However, those accounts are considered earned and recognized as revenue in the government-wide statement of activities.

(895,760)

Bonds issuance cost are expensed on the fund statements. However, in the government-wide statement of activities, the bonds issuance cost are allocated over the life of the bonds. This amount represent the current year amortization of the bond issuance cost.

(40,015)

Accrued interest expense reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds. Accrued interest payable increased by this amount.

11,346

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Principal repayments:

2003 Certificates of Participation	875,000
2004 Certificates of Participation	470,000

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net expense of certain activities of the internal service funds is reported with governmental activities.

7,937,709

Change in Net Assets of Governmental Activities

\$ 13,952,375

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PROPRIETARY FUND FINANCIAL STATEMENTS

City of Pleasanton
Statement of Fund Net Assets
Proprietary Funds
June 30, 2007

	Business-type Activities - Enterprise Funds					Governmental
	Water	Sewer	Golf	Other Non-major Enterprise Funds	Total	Internal Service Funds
ASSETS						
Current assets:						
Cash and investments	\$ 22,725,963	\$ 10,334,424	\$ 3,741,239	\$ 1,397,827	\$ 38,199,453	\$ 80,851,390
Receivables (net):						
Accounts	3,206,100	1,047,908	9,048	4,393	4,267,449	28,231
Interest	305,411	148,889	53,666	15,480	523,446	1,018,280
Inventory and prepaid items	-	-	146,996	-	146,996	-
Restricted cash and investments	366,574	320,390	-	-	686,964	-
Total current assets	26,604,048	11,851,611	3,950,949	1,417,700	43,824,308	81,897,901
Noncurrent assets:						
Long-term receivable	130,409	-	-	-	130,409	-
Bond issuance costs, net of accumulated amortization	57,847	109,321	-	-	167,168	-
Net investment in joint ventures	-	16,755,078	-	-	16,755,078	-
Advances to other funds	473,000	-	-	-	473,000	-
Capital assets:						
Nondepreciable	9,792,089	1,092,002	12,434,327	1,317,923	24,636,341	735,104
Depreciable, net	69,422,543	62,535,471	30,351,676	22,883,970	185,193,660	8,507,468
Total noncurrent assets	79,875,888	80,491,872	42,786,003	24,201,893	227,355,656	9,242,572
Total assets	106,479,936	92,343,483	46,736,952	25,619,593	271,179,964	91,140,473
LIABILITIES						
Current liabilities:						
Accounts payable	3,007,770	1,266,972	304,766	40,603	4,620,111	1,367,558
Payroll payable	64,636	33,703	-	8,919	107,258	5,322
Interest payable	-	-	-	14,045	14,045	-
Refundable deposits	-	-	60,548	12,840	73,388	-
Deferred revenue	63,919	-	113,751	67,493	245,163	-
Accrued compensated absences	-	-	-	-	-	761,713
Claims payable	-	-	-	-	-	1,249,908
Capital leases payable - due within one year	-	-	151,774	-	151,774	-
Notes payable - due within one year	-	-	-	45,086	45,086	-
Bonds payable - due within one year	655,000	565,000	-	-	1,220,000	-
Total current liabilities	3,791,325	1,865,675	630,839	188,986	6,476,825	3,384,501
Noncurrent liabilities:						
Accrued compensated absences - due in more than one year	-	-	-	-	-	3,701,012
Claims payable - due in more than one year	-	-	-	-	-	1,197,804
Capital leases payable - due in more than one year	-	-	296,908	-	296,908	-
Notes payable - due in more than one year	-	-	-	274,117	274,117	-
Bonds payable - due in more than one year	1,645,000	2,010,000	-	-	3,655,000	-
Advances from other funds	-	-	473,000	-	473,000	-
Total noncurrent liabilities	1,645,000	2,010,000	769,908	274,117	4,699,025	4,898,816
Total liabilities	5,436,325	3,875,675	1,400,747	463,103	11,175,850	8,283,317
NET ASSETS						
Invested in capital assets, net of related debt	76,914,632	61,052,473	42,337,321	23,882,690	204,187,116	9,242,572
Restricted for:						
Debt service	366,574	320,390	-	-	686,964	-
Unrestricted	23,762,405	27,094,945	2,998,884	1,273,800	55,130,034	73,614,584
Total net assets	\$ 101,043,611	\$ 88,467,808	\$ 45,336,205	\$ 25,156,490	260,004,114	\$ 82,857,156

Some amounts reported for business-type activities in the statement of net assets are different because certain internal service fund assets and liabilities are included with business-type activities.

Net assets of business-type activities	1,319,136
	<u>\$ 261,323,250</u>

See accompanying Notes to Basic Financial Statements.

City of Pleasanton
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the year ended June 30, 2007

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water	Sewer	Golf	Other Non-major Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES:						
Charges for services	\$ 17,065,934	\$ 11,111,736	\$ 4,564,478	\$ 684,436	\$ 33,426,584	\$ 35,419,502
Connection fees	242,985	103,562	-	-	346,547	-
Miscellaneous	14,322	62,053	-	726,070	802,445	222,898
Total operating revenues	17,323,241	11,277,351	4,564,478	1,410,506	34,575,576	35,642,400
OPERATING EXPENSES:						
Personnel services	2,464,335	1,168,542	1,454,150	1,022,412	6,109,439	22,864,092
Transportation	89,431	47,038	-	-	136,469	-
Repairs and maintenance	109,934	69,168	561,569	97,832	838,503	-
Materials, supplies, and services	12,521,576	9,398,962	2,269,799	620,838	24,811,175	6,752,742
Amortization	8,065	34,054	-	-	42,119	-
Depreciation	2,802,294	2,644,596	1,597,305	942,740	7,986,935	1,435,290
Total operating expenses	17,995,635	13,362,360	5,882,823	2,683,822	39,924,640	31,052,124
OPERATING INCOME (LOSS)	(672,394)	(2,085,009)	(1,318,345)	(1,273,316)	(5,349,064)	4,590,276
NONOPERATING REVENUES (EXPENSES):						
Interest income	1,283,089	587,517	243,967	66,889	2,181,462	3,964,664
Interest expense	(64,755)	(88,744)	(21,787)	(21,998)	(197,284)	-
Equity interest in gain from joint ventures	-	2,357,386	-	-	2,357,386	-
Gain (loss) from sale of capital assets	1,127	-	-	-	1,127	26,669
Total nonoperating revenues (expenses)	1,219,461	2,856,159	222,180	44,891	4,342,691	3,991,333
Net income (loss) before contributions and transfers	547,067	771,150	(1,096,165)	(1,228,425)	(1,006,373)	8,581,609
Capital contributions	1,908,343	1,927,445	5,864,511	2,407,556	12,107,855	-
Transfers in	175,000	-	500,000	493,135	1,168,135	21,315
Transfers out	-	(175,000)	(1,590,829)	-	(1,765,829)	(311,000)
Change in net assets	2,630,410	2,523,595	3,677,517	1,672,266	10,503,788	8,291,924
NET ASSETS:						
Beginning of year, as restated (Note 14)	98,413,201	85,944,213	41,658,688	23,484,224		74,565,232
End of year	<u>\$ 101,043,611</u>	<u>\$ 88,467,808</u>	<u>\$ 45,336,205</u>	<u>\$ 25,156,490</u>		<u>\$ 82,857,156</u>

Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities.

354,215

Change in net assets of business-type activities

\$ 10,858,003

See accompanying Notes to Basic Financial Statements.

City of Pleasanton
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2007

	Business-type Activities - Enterprise Funds					Governmental
	Water	Sewer	Golf	Other	Total	Activities
				Non-major Enterprise Funds		Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash receipt from customers	\$ 17,293,530	\$ 11,207,314	\$ 4,540,883	\$ 599,314	\$ 33,641,041	\$ 35,391,615
Cash payment to suppliers for goods and services	(12,060,324)	(9,517,248)	(4,845,759)	(697,795)	(27,121,126)	(6,395,906)
Cash payment to employees for services	(2,465,157)	(1,162,964)	(1,454,150)	(1,023,109)	(6,105,380)	(22,639,396)
Miscellaneous revenue	6,022	62,053	-	726,070	794,145	222,898
Net cash provided (used) by operating activities	2,774,071	589,155	(1,759,026)	(395,520)	1,208,680	6,579,211
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Miscellaneous contributions	-	-	981,151	-	981,151	-
Transfer in	175,000	-	500,000	493,135	1,168,135	21,315
Transfer out	-	(175,000)	(1,590,829)	-	(1,765,829)	(311,000)
Net cash provided (used) by noncapital financing activities	175,000	(175,000)	(109,678)	493,135	383,457	(289,685)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Principal payments on long-term debt	(645,000)	(545,000)	(118,864)	(42,294)	(1,351,158)	-
Interest payments	(64,755)	(88,744)	(21,787)	(23,859)	(199,145)	-
Capital asset acquisition	(7,097,466)	(1,557,702)	(66,395)	(199,296)	(8,920,859)	(1,816,641)
Proceeds from sale of capital assets	1,127	-	-	-	1,127	54,853
Net cash provided (used) by capital and related financing activities	(7,806,094)	(2,191,446)	(207,046)	(265,449)	(10,470,035)	(1,761,788)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest received	1,271,401	575,267	246,178	64,823	2,157,669	3,723,179
Net cash provided (used) by investing activities	1,271,401	575,267	246,178	64,823	2,157,669	3,723,179
Net increase (decrease) in cash and cash equivalents	(3,585,622)	(1,202,024)	(1,829,572)	(103,011)	(6,720,229)	8,250,917
CASH AND CASH EQUIVALENTS:						
Beginning of year	26,678,159	11,856,838	5,570,811	1,500,838	45,606,646	72,600,473
End of year	<u>\$ 23,092,537</u>	<u>\$ 10,654,814</u>	<u>\$ 3,741,239</u>	<u>\$ 1,397,827</u>	<u>\$ 38,886,417</u>	<u>\$ 80,851,390</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:						
Operating income (loss)	\$ (672,394)	\$ (2,085,009)	\$ (1,318,345)	\$ (1,273,316)	\$ (5,349,064)	\$ 4,590,276
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	2,810,359	2,678,650	1,597,305	942,740	8,029,054	1,435,290
Decrease (increase) in:						
Accounts receivable	(15,389)	(7,984)	(9,048)	(404)	(32,825)	(27,887)
Inventory and prepaid items	-	-	(40,361)	-	(40,361)	-
Increase (decrease) in:						
Accounts payable	660,617	(2,080)	(2,017,852)	20,875	(1,338,440)	643,638
Accrued payroll	(822)	5,578	-	(697)	4,059	(51,744)
Deferred revenue	(8,300)	-	43,822	(86,623)	(51,101)	-
Refundable deposits	-	-	(14,547)	1,905	(12,642)	-
Accrued benefits payable	-	-	-	-	-	276,440
Claims payable	-	-	-	-	-	(286,802)
Net cash provided (used) by operating activities	\$ 2,774,071	\$ 589,155	\$ (1,759,026)	\$ (395,520)	\$ 1,208,680	\$ 6,579,211
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:						
Capital assets contributed by developers	\$ 1,908,343	\$ 1,927,445	\$ 4,883,360	\$ 2,407,556	\$ 11,126,704	\$ -
Total noncash capital and related financing activities	\$ 1,908,343	\$ 1,927,445	\$ 4,883,360	\$ 2,407,556	\$ 11,126,704	\$ -

See accompanying Notes to Basic Financial Statements.

FIDUCIARY FUND FINANCIAL STATEMENTS

City of Pleasanton
Statement of Fund Net Assets
Fiduciary Funds
June 30, 2007

	Private-Purpose Trust	Agency
ASSETS		
Cash and investments	\$ 515,005	\$ 18,201,275
Receivables (net):		
Accounts	2,593	309,382
Interest	6,681	1,206,527
Restricted cash and investments	-	3,833,925
Notes receivable	-	1,122,434
Total assets	524,279	\$ 24,673,543
LIABILITIES		
Accounts payable	16,715	\$ 663,517
Due to bondholders	-	22,748,723
Deposits	-	1,261,303
Total liabilities	16,715	\$ 24,673,543
NET ASSETS		
Net assets	\$ 507,564	

See accompanying Notes to Basic Financial Statements.

City of Pleasanton
Statement of Changes in Fiduciary Net Assets
Private-Purpose Trust Fund Fiduciary Funds
For the Year Ended June 30, 2007

ADDITIONS:

Investment income	\$ 26,568
Miscellaneous	1,000
	<hr/>
Total additions	27,568
	<hr/>

DEDUCTIONS:

Public works	39,753
	<hr/>
Changes in net assets	(12,185)

NET ASSETS:

Beginning of year	519,749
	<hr/>
End of year	\$ 507,564
	<hr/> <hr/>

See accompanying Notes to Basic Financial Statements.

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City of Pleasanton
Index to Notes to Basic Financial Statements
For the year ended June 30, 2007

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City of Pleasanton
Notes to Basic Financial Statements
For the year ended June 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Pleasanton (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The City of Pleasanton (City) was incorporated on June 18, 1894, and operates under a Council-Manager form of government. The City Council consists of five elected members. The following services are provided by the City to its citizens: police, fire, public works, water, sewer, economic development, parks and recreation, planning and community development, general administration, library and golf.

As required by GAAP, these basic financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the City's operations and data from these units are combined with data of the City. Each blended component unit has a June 30 year-end. The City had no discretely presented component units. The following entities are reported as blended component units:

Pleasanton Joint Powers Financing Authority (Authority) - The Authority was established on June 29, 1993 for the purpose of providing assistance to the City and the Housing Authority of the City in refinancing public capital improvements, including but not limited to refunding the 1915 Act improvement bonds previously issued by the City. The City exercises significant financial and management control over the Authority and members of the board of directors are appointed by the City Council.

Housing Authority of the City of Pleasanton, California (Housing Authority) - The Housing Authority was established in 1943. The purpose of the Housing Authority is to provide and maintain the maximum number of housing units and services for low and moderate income families at rents they can afford, making the most effective and economical possible use of its resources. The City exercises significant financial and management control over the Authority and members of the board of directors are appointed by the City Council.

B. Basis of Accounting and Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government-Wide Financial Statements

The City's government-wide financial statements include a Statement of Net Assets and a Statement of Activities. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Government-Wide Financial Statements, Continued

These government-wide financial statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to/from other funds
- Advances to/from other funds
- Transfers in/out
- Interfund charges

The City applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect) as well as the following pronouncements issued on or before November 30, 1989 to the business-type activities, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) of the committee on Accounting Procedure. The City has elected not to apply applicable FASB Statement and Interpretations issued after November 30, 1989.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net assets as presented in these statements to the net assets presented in the government-wide financial statements. The City has presented all major funds that met the applicable criteria.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Governmental Fund Financial Statements, Continued

All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except for that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Deferred revenues arise when potential revenues do not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the government has a legal claim to the resources, the deferred revenue is removed from the Combined Balance Sheet and recognized as revenue.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Fund Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets, and a Statement of Cash Flows for each major proprietary fund and non-major funds aggregated.

A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental and business-type activities in the government-wide financial statements as appropriate.

Proprietary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Fund Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Proprietary Fund Financial Statements, Continued

Operating revenues in the proprietary fund are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Fund Net Assets and a Statement of Changes in Net Assets. The City's fiduciary funds represent agency funds and a private purpose trust fund. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The private purpose trust fund is accounted for using the economic resources measurement focus. The fiduciary funds are accounted for using the accrual basis of accounting.

The City reports the following major governmental funds:

The *General Fund* - is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General Fund includes such activities as general government, public safety, planning and community development, public works and community activities.

The *Lower Income Housing Fund* - is used to provide financial assistance toward meeting the affordable housing guidelines detailed in the housing element of the City's General Plan.

The *Livermore/Pleasanton Fire Department (Livermore Share Only)* - is used to account for the City of Livermore's share of the consolidated fire department's revenue and expenditures.

The City reports the following major enterprise funds:

The *Water Fund* - accounts for the operation and maintenance of the City's water utility, a self-supporting activity, which provides services on a user-charge basis to residences and businesses.

The *Sewer Fund* - accounts for the operation and maintenance of the City's sewer collection system and related facilities. It is a self-supporting activity, which provides services on a user-charge basis to residences and businesses.

The *Golf Fund* - accounts for the operation and maintenance of the City's Callippe Preserve Golf Course.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Fiduciary Fund Financial Statements, Continued

The City reports the following additional fund types:

The *Internal Service Funds* - account for City's employee benefits, public art acquisition and maintenance, equipment replacement/renovations provided to other departments, or to other governments and self-insurance programs - worker's compensation and general liability, on a cost-reimbursement basis.

The *Private-Purpose Trust Funds* - accounts for the P.T.C.W.D. #3 Trust Fund. The Trust received money in 1973 from the Pleasanton Township County Water District #3 and the funds may be used in the future to maintain the private road that serves the City's water tanks.

The *Agency Funds* - account for assets held by the City as an agent for various local government agencies, insurance companies, developers and bond trustees.

C. Cash, Cash Equivalents and Investments

The City pools its available cash for investment purposes. The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from date of acquisition. Cash and cash equivalents are combined with investments and displayed as Cash and Investments.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

The City participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF) which has invested a portion of the pooled funds in Structured Notes and Asset-backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-backed Securities are subject to market risk as to change in interest rates.

D. Restricted Cash and Investments

Certain restricted cash and investments are held by fiscal agents for the redemption of bonded debt and for acquisition and construction of capital projects. Cash and investments are also restricted for deposits held for others within the enterprise funds.

E. Receivables

During the course of normal operations, the City carries various receivable balances for taxes, interest, services, utilities and special assessments. Accounts receivables are shown net of an allowance for doubtful accounts of \$6,950 in the Water Fund and \$3,746 in the Sewer Fund.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

F. Inventory

General Fund inventory consists of gasoline for use by the City's vehicles. Gasoline is measured at year-end and the inventory value is based on the cost per gallon of the most recent purchase. The cost of this inventory is recorded as expenditure when consumed.

G. Notes Receivable

For the purposes of the governmental fund financial statements, expenditures related to long-term notes, arising from subsidy programs are charges to operations upon funding and the notes are recorded with an offset to a deferred revenue account. For the purposes of the government-wide financial statements, long-term loans are not offset by deferred revenue accounts.

H. Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Advances between funds, reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances."

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

I. Capital Assets

The City's assets are capitalized at historical cost or estimated historical cost. City policy has set the capitalization threshold for reporting general capital assets at \$5,000, and for reporting infrastructure (streets, water, sewer and storm drains) at \$100,000 and all streetlights and traffic signals are included. Donated capital assets are recorded at fair market value when received. Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

Infrastructure	20-40 years
Buildings and Improvements	20-50 years
Machinery and Equipment	5 - 20 years

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. Capital Assets, Continued

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34 which requires the inclusion of infrastructure capital assets in local governments' basic financial statements. In accordance with Statement No. 34, the City has included the value of all infrastructure in the current Basic Financial Statements.

Capital assets that meet the definition of the major infrastructure network or extend the life of existing infrastructure networks are capitalized as infrastructure. Infrastructure networks include: roads, bridges, water, sewer, drainage systems and lighting systems.

J. Compensated Absences

Accumulated unpaid vacation and compensatory time is accrued in the Employee Benefit Internal Service Fund using the accrual basis of accounting. Sick leave with pay is granted to all eligible employees. Sick leave is not considered a right which employees may use at their discretion, but is allowed only for specific purposes as explained in the City's personnel policies. The City has determined that it has no accrued liability to report at June 30, 2007 as a result of its sick leave policy. The City accrues accumulated unpaid compensated absences when earned by the employee.

K. Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities and business-type activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financial sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. Interest Payable

In the government-wide financial statements, interest payable of long-term debt is recognized as the liability is incurred for governmental activities and business-type activities.

In the fund financial statements, proprietary fund types recognize the interest payable when the liability is incurred.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

M. Property Taxes

Property taxes are levied based on a fiscal year (July 1 – June 30). The property tax assessments are formally due on November 1 and February 1, and become delinquent as of December 10 and April 10, respectively. Taxes become a lien on the property effective January 1 of the preceding year.

N. Net Assets / Fund Balance Restatements

In the government-wide financial statements, net assets are classified in the following categories:

Invested in Capital Assets, net of Related Debt – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Assets – This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments.

Unrestricted Net Assets – This amount is all net assets that do not meet the definition of “invested in capital assets, net of related debt” or “restricted net assets.”

O. Use of Restricted and Unrestricted Net Assets

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the City’s policy is to apply restricted net assets first.

P. Fund Balances – Reserves and Designations

In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Q. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities. In addition, estimates affect the reported amount of expenses. Actual results could differ from these estimates and assumptions.

2. CASH AND INVESTMENTS

The City maintains a cash and investments pool, which includes cash balances and authorized investments of all funds, that is available for use by all funds, except certain construction and bond reserve funds held by the City.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

2. CASH AND INVESTMENTS, Continued

The following is a summary of pooled cash and investments, including cash and investments with fiscal agent at June 30, 2007:

	Government-Wide		Fiduciary	Total
	Statement of Net Assets		Funds	
	Governmental	Business-Type	Statement of	
	Activities	Activities	Net Assets	
Cash and investments	\$ 190,114,995	\$ 38,199,453	\$ 18,716,280	\$ 247,030,728
Restricted cash and investments	412,354	686,964	3,833,925	4,933,243
Total	\$ 190,527,349	\$ 38,886,417	\$ 22,550,205	\$ 251,963,971

At June 30, 2007 the City's pooled cash and investments, including restricted funds consisted of the following:

	Fair Value
	June 30, 2007
City Treasury:	
Deposits:	
Cash on hand	\$ 4,150
Deposits with banks	1,845,383
Certificates of deposits	202,815
Total deposits	<u>2,052,348</u>
Investments:	
U.S. government treasuries	102,753,749
U.S. government agencies	91,677,483
Money market	9,031,045
California Local Agency Investment Fund	41,516,103
Total investments	<u>244,978,380</u>
Total City Treasury	<u>247,030,728</u>
Cash with Fiscal Agent	<u>4,933,243</u>
Total City and fiscal agent cash and investments	<u><u>\$ 251,963,971</u></u>

A. Deposits

At June 30, 2007, the carrying amount of the City's cash deposits had a positive balance of \$1,845,383 and the bank balance was \$1,447,897. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. Of the bank balance, \$410,000 was covered by federal depository insurance, and \$1,037,897 was collateralized by the pledging financial institutions as required by Section 53652 of the California Government Code. The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits, or by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

2. CASH AND INVESTMENTS, Continued

A. Deposits, Continued

At June 30, 2007, the collateral held by the City's banking institution only equaled 102% of the cash deposits. The shortfall was corrected on the next business day.

B. Investments

Under the provisions of the City's investment policy, and in accordance with Section 53601 of California Government Code, the City may invest or deposit in the following:

- Bankers' acceptances
- Commercial paper
- Local Agency Investment Fund
- Mutual funds
- Medium-term corporate notes
- Money market funds
- Negotiable certificates of deposit
- Repurchase agreements
- Securities of the Federal government or its agencies

Included in restricted cash and investments at June 30, 2007, was \$4,933,242 held by the trustees or fiscal agents. These funds may only be used for the payment of certain bonds and certificates of participation and have been invested only as permitted by specific state statutes or applicable City ordinances, resolutions, or bond indentures.

GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, requires that the City's investments be carried at fair market value instead of cost. Accordingly, the City adjusts the carrying value of its investments to reflect their fair value at each fiscal year-end and the effects of these adjustments are included in income for that fiscal year. Changes in value at the fiscal year ended June 30, 2007 from the fiscal year ended June 30, 2006, amounted to an unrealized increase of \$477,070.

C. Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from interest rates, the City's investment policy limits investments to a maximum maturity of five years. At June 30, 2007, the City had the following investment maturities:

Investment Type	Fair Value	Investment Maturities (In Years)	
		Less than 1	1 to 3
U.S. Government Treasuries	\$ 102,753,749	\$ 59,167,286	\$ 43,586,463
U.S. Government Agencies	91,677,483	45,062,633	46,614,850
California Local Agencies			
Investment Fund	41,516,103	41,516,103	-
Money Market	9,031,045	9,031,045	-
Total	<u>\$ 244,978,380</u>	<u>\$ 154,777,067</u>	<u>\$ 90,201,313</u>

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

2. CASH AND INVESTMENTS, Continued

D. Credit Risk

State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the City's policy to limit its investments in these investment types to the top rating issued by NRSROs, including raters Standard & Poor's and Moody's Investor's Service. At June 30, 2007, the City's credit risks, expressed on a percentage basis, were as follows:

The City's investments are rated by the nationally recognized statistical rating organizations as follows:

	<u>Moody's</u>	<u>Standard & Poor's</u>
U.S. Agencies		
Federal Farm Credit Bank	Aaa	AAA
Federal Home Loan Bank	Aaa	AAA
Federal Home Loan Mortgage Corporation	Aaa	AAA
Federal National Mortgage Association	Aaa	AAA
U.S. Treasury Money Market Funds		
Fidelity - Treasury Only	Aaa	AAA
External Pool		
State of California - Local Agency Investment Fund	Not Rated	Not Rated

Concentration of Credit Risk. The City's Policy has the same maturity limits as the California Government Code. The City is allowed to purchase mutual funds up to 20% of the value of the portfolio. There are no specified maximum percentages for U.S. Treasury Obligations, U.S. Agencies, and the external investment pool (State of California - Local Agency Investment Fund). The City is in compliance with these provisions of the Policy.

The following is a chart of investments not guaranteed by U.S. Government that represents five (5) percent or more of the total investments:

	<u>Amount Invested</u>	<u>Percentage of Investments</u>
U.S. Agencies		
Federal Home Loan Bank	\$ 32,646,325	13.33%
Federal Home Loan Mortgage Corporation	26,757,252	10.92%
Federal Farm Credit Bank	11,964,687	4.88%
Federal National Mortgage Association	20,309,219	8.29%
	<u>\$ 91,677,483</u>	<u>37.42%</u>
<u>Fidelity - Treasury Only Mutual Fund</u>	\$ 9,031,045	3.68%

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

2. CASH AND INVESTMENTS, Continued

E. External Investment Pool

The City invests in the California Local Agency Investment Fund (LAIF), a State of California external investment pool. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available, and on amortized cost or best estimate for those securities where market value is not readily available.

The City's investments with LAIF at June 30, 2007 included a portion of the pooled funds invested in structured notes and asset-backed securities. These investments included the following:

Structured Notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMS) or credit card receivables.

As of June 30 2007, the City had \$41,516,103 invested in LAIF, which had invested 3.466% of the pool investment funds in Structured Notes and Asset-Backed Securities. Fair value of LAIF was calculated by applying a factor of 0.999545022 to total investments held by LAIF.

Derivatives

During the year, the City held structured notes. Structured notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options. They are issued by corporations and by government-sponsored enterprises such as the Federal National Mortgage Association (FNMA) and the Federal Home Loan Bank (FHLB). These securities could be called prior to maturity, depending on changes in interest rates. As of June 30, 2007, the City held \$1,996,837 in callable securities, which amounted to less than 1% of investments at June 30, 2007.

3. NOTES RECEIVABLE

The following table summarizes the notes receivable outstanding as of June 30, 2007:

	Government-Wide Statement of Net Assets Governmental Activities	Fiduciary Funds Statement of Net Assets	Total
Revolving Home Loans	\$ 6,294,665	\$ -	\$ 6,294,665
Sewer Loans	80,511	-	80,511
City of Dublin Loan	-	1,122,434	1,122,434
Total	\$ 6,375,176	\$ 1,122,434	\$ 7,497,610

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

3. NOTES RECEIVABLE, Continued

Revolving Home Loans - As part of the City of Pleasanton Homeownership Assistance Program developed by the City to provide affordable housing opportunities for households of moderate income, loans are given to moderate income homebuyers for second mortgages. Monthly payments of principal and interest are waived until five years after the date of the note for most of these loans. The outstanding amount due to the City as of June 30, 2007 was \$6,294,665.

Sewer Loans - Loans are granted to restaurant owners to finance sewer connection fees. The Dublin San Ramon Services District sewer connection fee for restaurants is substantially higher than for most other commercial and retail uses. The loan program was adopted in 1989 to encourage restaurants to locate in the downtown area. Since the program's inception, there have been no defaults in these loan payments. Therefore, in 1997 the City expanded the loan program for restaurants outside downtown Pleasanton. The outstanding amount as of June 30, 2007 was \$80,511.

City of Dublin Loan - On March 11, 1991, the City entered into an agreement with the City of Dublin to construct a two lane access road and an extension that leads to Interstate 580. The City paid for the design and construction costs of the infrastructure. The City of Dublin agreed to reimburse the City in an amount equal to the costs of construction. The reimbursement would be solely from the proceeds of assessments, special taxes, and fees imposed by City of Dublin. The outstanding amount as of June 30, 2007 was \$1,122,434.

4. INTERFUND TRANSACTIONS

A. Interfund Receivables/Payables

The composition of interfund balances as of June 30, 2007, is as follows:

Due to/from Other Funds

The General Fund provides cash flow assistance to various grant funds. As of June 30, 2007, balances of due to/from other funds were as follows:

		Due from other funds
		General Fund
	Due to other funds	
Non-major Governmental Funds		\$ 1,015,617
Total		\$ 1,015,617

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

4. INTERFUND TRANSACTIONS, Continued

A. Interfund Receivables/Payables, Continued

Transfers In/Out

Transfers between funds are primarily used to provide funding for the Capital Improvement Program. The General Fund transferred \$6,800,000 to non-major governmental funds to fund capital improvement projects and \$7,643,050 was transferred between non-major governmental funds for various capital improvement projects. Transfers between funds also occur to cover debt service payments. The General Fund transferred \$500,000 to the Golf Course Enterprise Fund to cover a portion of the golf course enterprise's \$1,590,829 transfer to a non-major governmental fund for debt service and \$938,695 was transferred between non-major governmental funds also for debt service. The General Fund also transferred \$493,135 to non-major enterprise funds to support transportation, cemetery and storm drain operations.

Transfers in/out for the year ended June 30, 2007, were as follows:

		Transfers In						
				Major Fund				
		General	Non-Major	Water	Golf Course	Non-major	Internal	
		Fund	Governmental	Enterprise	Enterprise	Enterprise	Service	Total
		Fund	Fund	Fund	Fund	Funds	Service	Total
Transfers Out	General Fund		\$ 6,800,000	\$ -	\$ 500,000	\$ 493,135	\$ -	\$ 7,793,135
	Non-Major							
	Governmental Funds	23,640	8,591,745	-	-	-	21,315	8,636,700
	Sewer Enterprise	-	-	175,000	-	-	-	175,000
	Golf Course Enterprise	-	1,590,829	-	-	-	-	1,590,829
	Internal Service		311,000					311,000
Total		\$ 23,640	\$ 17,293,574	\$ 175,000	\$ 500,000	\$ 493,135	\$ 21,315	\$ 18,506,664

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2007, was as follows:

	Balance 6/30/06	Additions	Retirements	Transfers	Balance 6/30/07
Governmental activities:					
Nondepreciable assets:					
Land	\$ 207,385,278	\$ 1,170,465	\$ -	\$ -	\$ 208,555,743
Construction in progress	7,202,574	9,642,195	-	(2,205,520)	14,639,249
Total nondepreciable assets	214,587,852	10,812,660	-	(2,205,520)	223,194,992
Depreciable assets:					
Infrastructure	244,259,182	2,536,139	(2,050,089)	2,205,520	246,950,752
Accumulated depreciation	(116,548,811)	(7,265,947)	2,162,632	-	(121,652,126)
Buildings	52,723,886	46,157	-	-	52,770,043
Accumulated depreciation	(12,172,952)	(1,053,832)	-	-	(13,226,784)
Improvements other than buildings	37,006,828	-	-	-	37,006,828
Accumulated depreciation	(21,586,572)	(1,438,449)	-	-	(23,025,021)
Machinery and equipment	18,144,705	570,958	(111,513)	-	18,604,150
Accumulated depreciation	(12,567,196)	(1,255,557)	77,988	-	(13,744,765)
Vehicles	9,309,255	502,188	(268,360)	-	9,543,083
Accumulated depreciation	(6,127,126)	(737,914)	262,681	-	(6,602,359)
Net depreciable assets	192,441,199	(8,096,257)	73,339	2,205,520	186,623,801
Governmental activities capital assets, net	\$ 407,029,051	\$ 2,716,403	\$ 73,339	\$ -	\$ 409,818,793
Business-type activities:					
Nondepreciable assets:					
Land	\$ 9,154,438	\$ 4,883,360	\$ -	\$ -	\$ 14,037,798
Construction in progress	3,807,757	9,592,943	-	(2,802,157)	10,598,543
Total nondepreciable assets	12,962,195	14,476,303	-	(2,802,157)	24,636,341
Depreciable assets:					
Infrastructure	229,602,954	5,280,861	(86,087)	2,802,157	237,599,885
Accumulated depreciation	(95,144,411)	(5,634,905)	42,459	-	(100,736,857)
Buildings	27,854,673	167,638	-	-	28,022,311
Accumulated depreciation	(9,280,332)	(608,112)	-	-	(9,888,444)
Improvements other than buildings	30,297,595	-	-	-	30,297,595
Accumulated depreciation	(1,773,230)	(1,493,480)	-	-	(3,266,710)
Machinery and equipment	6,712,948	90,521	-	-	6,803,469
Accumulated depreciation	(3,451,607)	(237,062)	43,628	-	(3,645,041)
Vehicles	344,185	-	-	-	344,185
Accumulated depreciation	(323,356)	(13,377)	-	-	(336,733)
Net depreciable assets	184,839,419	(2,447,916)	-	2,802,157	185,193,660
Business-type activities capital assets, net	\$ 197,801,614	\$ 12,028,387	\$ -	\$ -	\$ 209,830,001

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

5. CAPITAL ASSETS, Continued

A. Depreciation

Depreciation expense was charged to various governmental functions as follows:

General government	\$ 163,081
Public safety	1,115,161
Planning and community development	5,956
Public works	8,049,869
Community activities	<u>2,417,632</u>
Total depreciation expense - governmental functions	<u><u>\$ 11,751,699</u></u>

Depreciation expense was charged to the business-type functions as follows:

Water	\$ 2,802,294
Sewer	2,644,596
Golf	1,597,305
Transit	13,508
Storm drain	841,094
Housing Authority	<u>88,138</u>
Total depreciation expense - business-type functions	<u><u>\$ 7,986,935</u></u>

6. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2007:

	Balance			Balance	Amounts	Amounts
	July 1, 2006	Additions	Deletions	June 30, 2007	Due Within	Due in More
					One Year	than One Year
Governmental Activities:						
2003 Certificates of Participation	\$ 27,005,000	\$ -	\$ (875,000)	\$ 26,130,000	\$ 905,000	\$ 25,225,000
2004 Refunding Lease Certificates of Participation	3,555,000	-	(470,000)	3,085,000	480,000	2,605,000
CALHFA Help Loan	1,500,000	-	-	1,500,000	-	1,500,000
State CALHFA Help Program note payable	95,000	-	-	95,000	-	95,000
Claims payable (Note 7)	2,734,514	3,117,021	(3,403,823)	2,447,712	1,249,908	1,197,804
Compensated absences (Note 8)	4,186,285	986,035	(709,595)	4,462,725	761,713	3,701,012
Total governmental activities	<u>\$ 39,075,799</u>	<u>\$ 4,103,056</u>	<u>\$ (5,458,418)</u>	<u>\$ 37,720,437</u>	<u>\$ 3,396,621</u>	<u>\$ 34,323,816</u>
Business-type Activities:						
Note payable, Federal Financing Bank	\$ 361,497	\$ -	\$ (42,294)	\$ 319,203	\$ 45,086	\$ 274,117
Golf Course Capital Lease	567,546	-	(118,864)	448,682	151,774	296,908
2002 Sewer Revenue Refunding Bonds	1,555,000	-	(360,000)	1,195,000	375,000	820,000
2004 Water Revenue Refunding Bonds	2,945,000	-	(645,000)	2,300,000	655,000	1,645,000
2004 Sewer Revenue Refunding Bonds	1,565,000	-	(185,000)	1,380,000	190,000	1,190,000
Total business-type activities	<u>\$ 6,994,043</u>	<u>\$ -</u>	<u>\$ (1,351,158)</u>	<u>\$ 5,642,885</u>	<u>\$ 1,416,860</u>	<u>\$ 4,226,025</u>

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

6. LONG-TERM LIABILITIES, Continued

Long-term debt at June 30, 2007, consisted of the following:

Type of Indebtedness (Purpose)	Maturity	Interest Rates	Annual Principal Installments (000's)	Amount Issued	Outstanding June 30, 2007
Governmental Activities:					
2003 Certificates of Participation	2032	3 - 4.75%	\$265 - \$1,530	\$ 28,425,000	\$ 26,130,000
2004 Refunding Lease Certificates of Participation	2014	2.1 - 3.4%	\$330 - \$490	4,040,000	3,085,000
CALHFA Help Loan	2015	3.0%	-	1,500,000	1,500,000
State CALHFA Help Program note payable	2015	3.0%	\$6 - \$8	95,000	95,000
Total governmental activities					\$ 30,810,000
Business-type Activities:					
Note payable, Federal Financing Bank	2012	6.6%	\$66 - \$66	882,636	\$ 319,203
Golf Course Capital Leases	2010	3.39 - 24.6%	\$136 - \$151	731,012	448,682
2002 Sewer Revenue Refunding Bonds	2009	2 - 3.75%	\$260 - \$420	2,820,000	1,195,000
2004 Water Revenue Refunding Bonds	2014	2 - 3.5%	\$150 - \$670	3,595,000	2,300,000
2004 Sewer Revenue Refunding Bonds	2014	2 - 3.5%	\$155 - \$195	1,760,000	1,380,000
Total business-type activities					\$ 5,642,885

2003 - Certificates of Participation

On April 1, 2003, the City issued Certificates of Participation in the amount of \$28,425,000. The proceeds were used to provide funds for the acquisition and construction of a golf course and to refinance the City's obligations relating to certain 1991 Certificates of Participation of the City. The certificates bear an interest rate range from 3.0% to 4.75% and are payable semiannually on April 1 and October 1. Principal payments are payable annually on each October 1 through 2032. These certificates are obligated to be repaid from the City's general fund or any other source of funds legally available.

2004 - Refunding Lease Certificates of Participation

On December 1, 2004, the City issued Refunding Lease Certificates of Participation in the amount of \$4,040,000. The proceeds were used to refinance in part the City's obligations relating to certain Refunding Lease Revenue Bonds, 1994 Series B of the Authority, to fund a Reserve Fund for the Certificates, and to pay certain costs of issuing the Certificates. The certificates bear an interest rate range from 2.1% to 3.4% and are payable semiannually on March 1 and September 1. Principal payments are payable annually on each September 1 through 2014. These certificates are obligated to be repaid from the City's general fund or any source of funds legally available.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

6. LONG-TERM LIABILITIES, Continued

CALHFA Help Loan

On September 8, 2005, the City has entered into a loan agreement with CalHFA for a maximum of \$1,500,000 for the purpose of operating a local housing program. The loan bears an interest of 3% simple per annum and is due in full by September 7, 2015. Annual payments to CalHFA are not required. The City has loaned the full \$1,500,000 to BLP Partnership, Inc. BLP is required to use project surplus cash to make annual loan payments to the City commencing one year after issuance of certificate of occupancy. The loan payment is equal to 75% of surplus cash. In the event BLP payments are insufficient to repay the full loan amount by September 7, 2015, the City's Lower Income Housing Fund will be used to make any outstanding loan payments to CalHFA. However, BLP is obligated to repay the full amount of the loan within 35 years from September 26, 2005.

State CALHFA Help Program Note Payable

On June 26, 2003, the State of California approved the City's application for a maximum of \$450,000 assistance for the City's down payment assistance program for low and moderate-income homebuyers. This program will assist first-time homebuyers with second mortgages offered at below-market interest rates. As the homebuyers repay the City, the City then repays the State. The loans to homebuyers are 10 year loans with an interest rate of 3%. As of June 30, 2007, \$95,000 in second mortgages were outstanding.

Note Payable

The Housing Authority issued a note payable to the Federal Financing Bank to finance Kottinger Place, a housing project. Payments of \$66,153 including interest at 6.6% are due annually on November 1, through 2012. The mortgage is to be repaid from grants from the U.S. Department of Housing and Urban Development.

Golf Course Capital Lease

On May 15, 2006, the City signed a lease purchase agreement with Bank of America for golf course maintenance equipment. The cost of the leased equipment is \$697,845. The City will make quarterly payments of \$38,084 over a lease period of 60 months; the lease rate is 3.39%. At the end of the term, the City will purchase all of the equipment for \$1. Revenues of the golf course are expected to pay for the equipment lease payments, but the General Fund has provided the pledge for repayment. There are also four equipment leases that were entered into agreement in 2005 by Courseco, the company hired by the City to manage the operations of the golf course. The total cost of these lease agreements, two with Dell Financial Services for computer equipment and two with Marlin Leasing for telephone equipment, are \$33,167. Courseco will make monthly payments of \$1,214 through 2008. At the end of the lease terms, all the equipment will be owned by the City.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

6. LONG-TERM LIABILITIES, Continued

2002 Sewer Revenue Refunding Bonds

On May 21, 2002, the City issued \$2,820,000 of the Series 2002 Sewer Revenue Refunding Bonds. The 2002 Sewer Revenue Refunding Bonds were issued to refund the outstanding 1989 Certificates of Participation, which financed the cross-town sanitary sewer project. The refunding resulted in net present value savings of \$425,674. The 2002 Sewer Revenue Refunding Bonds provide for the principal, call premium and accrued interest. The bonds bear an interest rate range from 2.0% to 3.75% and are payable semiannually on each September 1 and March 1. Principal payments are payable annually on each September 1 through 2009. These bonds are to be repaid from net revenues of the sewer enterprise.

2004 Water Revenue Refunding Bonds

On December 1, 2004, the City issued \$3,595,000 of the Series 2004 Water Revenue Refunding Bonds. The 2004 Water Revenue Refunding Bonds were issued to refund a portion of the City's obligations with respect to the Pleasanton Joint Powers Financing Authority 1994 Series A Refunding Water and Sewer Revenue Bonds and 1994 Series B Refunding Lease Revenue Bonds, to fund a reserve fund for the Bonds, and to pay certain costs of issuance of the Bonds. The bonds bear an interest rate range from 2.0% to 3.5% and are payable semiannually on each September 1 and March 1. Principal payments are payable annually on each September 1 through 2014. These bonds are to be repaid from net revenues received by the City from the operation of the water system.

2004 Sewer Revenue Refunding Bonds

On December 1, 2004, the City issued \$1,760,000 of the Series 2004 Sewer Revenue Refunding Bonds. The 2004 Sewer Revenue Refunding Bonds were issued to refund a portion of the City's obligations with respect to the Pleasanton Joint Powers Financing Authority 1994 Series A Refunding Water and Sewer Revenue Bonds and 1994 Series B Refunding Lease Revenue Bonds, to fund a reserve fund for the Bonds, and to pay certain costs of issuance of the Bonds. The bonds bear an interest rate range from 2.0% to 3.5% and are payable semiannually on each September 1 and March 1. Principal payments are payable annually on each September 1 through 2014. These bonds are to be repaid from net revenues received by the City from the operation of the sewer enterprise.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

6. LONG-TERM LIABILITIES, Continued

The following schedule illustrates the debt service requirements to maturity for governmental activities as of June 30, 2007:

Year Ending June 30,	2003 Certificates of Participation		2004 Refunding Lease Certificates of Participation	
	Principal	Interest	Principal	Interest
2008	\$ 905,000	\$ 1,102,190	\$ 480,000	\$ 78,773
2009	935,000	1,075,040	490,000	68,588
2010	965,000	1,046,990	330,000	59,483
2011	995,000	1,018,040	335,000	50,999
2012	1,030,000	986,200	345,000	41,303
2013 - 2017	3,505,000	4,503,513	1,105,000	55,928
2018 - 2022	4,280,000	3,735,263	-	-
2023 - 2027	5,315,000	2,694,786	-	-
2028 - 2032	6,670,000	1,341,544	-	-
2033	1,530,000	72,675	-	-
Total	\$ 26,130,000	\$ 17,576,240	\$ 3,085,000	\$ 355,072

The following schedule illustrates the debt service requirements to maturity for business-type activities as of June 30, 2007:

Year Ending June 30,	Notes Payable		2002 Sewer Revenue Bonds		2004 Water Revenue Bonds		2004 Sewer Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 45,086	\$ 21,067	\$ 375,000	\$ 35,844	\$ 655,000	\$ 51,756	\$ 190,000	\$ 37,656
2009	48,012	18,141	400,000	22,750	670,000	38,088	195,000	33,684
2010	51,230	14,923	420,000	7,875	150,000	28,719	155,000	29,288
2011	54,612	11,542	-	-	155,000	24,144	155,000	24,638
2012	58,217	7,937	-	-	160,000	19,419	165,000	19,838
2013 - 2015	62,046	4,107	-	-	510,000	26,497	520,000	27,188
Total	\$ 319,203	\$ 77,717	\$1,195,000	\$ 66,469	\$2,300,000	\$ 188,622	\$1,380,000	\$ 172,291

Year Ending June 30,	Golf Course Capital Leases	
	Principal	Interest
2008	\$ 151,774	\$ 14,703
2009	147,750	8,245
2010	149,158	3,177
Total	\$ 448,682	\$ 26,125

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

6. LONG-TERM LIABILITIES, Continued

Non-commitment Special Assessment Debt

The following issues of Special Assessment District Bonds issued pursuant to the Municipal Improvement Act of 1915 were not reflected in the government activities, because these are special obligations payable solely from and secured by specific revenue sources described in the bond resolutions and official statements of the respective issues. Neither the faith and credit nor the taxing power of the City, the State of California or any political subdivision thereof, is pledged for the payment of these bonds:

	<u>Outstanding June 30, 2007</u>
Pleasanton Joint Powers Financing Authority Local Obligation Bonds:	
2004 Series A Reassessment Revenue Bonds	\$ 265,000
2004 Series B Reassessment Revenue Bonds	<u>47,375,000</u>
Total	<u><u>\$ 47,640,000</u></u>

Conduit Debt

The City has issued two separate Multifamily Housing Revenue Bonds, the proceeds of which were used to fund mortgage loans to finance the acquisition and construction of multifamily rental housing facilities located in the City. The projects include the Greenbriar Apartment Homes (original bond issue date 2001) and the Busch Senior Housing Apartments (original bond issue date 2003 in the amount of \$13,360,000). Each facility is required to be occupied in part by low or moderate income families. In addition, the Busch Senior Housing Project is restricted to apartment units exclusively for seniors.

The bonds are secured by a first lien priority deed of trust, assignment of rents and security agreement encumbering the project. In addition, the required payments under the mortgage notes are secured by a pledge and security interest granted by the Federal National Mortgage Association (FNMA) to the trustee of interests in certain collateral owned by FNMA pursuant to the terms of each agreement.

The bonds are payable solely from payments received on the underlying mortgage loans. The City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liability in the accompanying basic financial statements.

In September 2005, the City issued Variable Rate Demand Certificates of Participation (COP) for the Pleasanton Assisted Living Project Financing in the amount of \$19,700,000. The Assisted Living facility is owned by a separate corporation and payments on the COP debt will be made by the corporation from revenues derived from the operation of the facility.

Legal Debt Limit

As of June 30, 2007, the City's debt limit and legal debt margin (15% of 25% of valuation subject to taxation) was \$579,597,781.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

6. LONG-TERM LIABILITIES, Continued

Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bonds proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the U.S. Treasury at least every five years. The City has evaluated each bond issued subject to the arbitrage rebate requirements and has determined that no arbitrage liability exists at June 30, 2007.

The City has complied with all significant bond covenants relating to reserve and sinking fund requirements.

7. RISK MANAGEMENT

The City is exposed to various risks of loss related to third party personal injuries and/or damage to property, employment practices liability, workers compensation claims, and damage to or destruction of City property and vehicles. The City has a self retained limit for these various risks. Over the City's self retained limits, the City has coverage through a number of risk sharing public entity pools. For example, general liability claims over \$100,000 are covered through the Bay Cities Joint Powers Insurance Authority (Bay Cities). Similarly, employment practices liability claims over \$75,000 are covered through the Employment Risk Management Authority (ERMA). In the opinion of City management, premiums paid to Bay Cities (which in turn pays premiums to others, depending on the risk involved) represent the best available estimate of the ultimate cost of its participation in these various risk sharing pools.

The City's self retained limits and maximum coverage is as follows:

Coverage	Self Retained Limit	Maximum Coverage	Maximum Coverage Throug
General Liability (including auto and errors/ommissions	\$ 100,000	\$ 25,000,000	Bay Cities
Employment Practice Liability	75,000	2,000,000	ERMA
Workers' Compensation	1,000,000	300,000,000	LAWCX
All Risk Property	50,000	150,000,000*	PEPIP

* There are sublimits for some exposures

There have been no reductions in coverage from the previous year. All claims have been settled within the maximum coverage in the past three fiscal years.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

7. RISK MANAGEMENT, Continued

The City accounts for and finances its uninsured risks of loss and liability insurance premiums in a Self Insurance Retention Fund and Employee Benefit Fund (Internal Service Funds). The Employee Benefit Fund receives payments from certain funds of the City which participate in the program and make payments based on estimates of the amounts needed to pay prior and current-year claims and to establish a reserve for catastrophic losses. The reserves are \$4,885,551 and \$7,633,915 at June 30, 2007 for the Employee Benefits Fund and Self Insurance Retention Fund, respectively, and are reported in net assets. The claims liabilities of \$2,056,292 and \$391,420 for the Employee Benefits Fund and Self Insurance Retention Fund, respectively reported in the funds as claims payable at June 30, 2007. The claims liabilities in the Liability Insurance Fund are based on the results of actuarial studies and include amounts for claims incurred but not reported. Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors.

The aggregate change in the balance of claims liabilities for the internal service self-insurance funds were as follows:

	June 30,	
	2007	2006
Unpaid claims, beginning of year	\$ 2,734,514	\$ 2,115,799
Incurred claims and changes in estimates	3,117,021	2,047,224
Claim payments	(3,403,823)	(1,428,509)
Unpaid claims, end of year	\$ 2,447,712	\$ 2,734,514

8. COMPENSATED ABSENCES

The City records a liability to recognize the financial effect of unused vacation and other compensated leaves. The total of vacation and other compensated leaves is \$4,462,725. Compensated absences are expected to be liquidated using resources primarily from the general fund.

9. INVESTMENT IN JOINT VENTURES AND MEMBERSHIP IN INSURANCE POOL

The City participates in two joint venture activities through formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, these entities exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Obligations and liabilities of the separate entities are not those of the City.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

9. INVESTMENT IN JOINT VENTURES AND MEMBERSHIP IN INSURANCE POOL, Continued

Bay Cities Joint Powers Insurance Authority (Insurance Authority)

The Bay Cities Joint Powers Insurance Authority (Insurance Authority) was established in August 1986 to provide an independently managed self-insurance program for its members. Members of the Insurance Authority include the cities of: Albany, Berkeley, Emeryville, Hayward, Monte Sereno, Piedmont, Redwood City, Union City and Pleasanton; and the San Francisco Redevelopment Agency. Each member has Insurance Authority activities. The City's proportionate share of the Insurance Authority's net assets, if any, is unknown as of June 30, 2007. Financial statements for the Insurance Authority may be obtained from Bay Cities, 6371 Auburn Blvd., Suite B, Citrus Heights, CA 95621.

Livermore-Amador Valley Waste Management Agency (LAVWMA)

Livermore-Amador Valley Waste Management Agency (LAVWMA) was formed in 1974. LAVWMA operates an expansion of the export pipeline connecting with the East Bay Discharges Authority's systems and discharges treated wastewater into San Francisco Bay. The current members of the Agency are Dublin San Ramon Services District, City of Livermore and City of Pleasanton. Sewer bonds are being repaid with user charges assessed to member agencies. The City's equity interest in the Agency was \$16,755,078 as of June 30, 2007. Financial statements for the LAVWMA may be obtained from LAVWMA, 7051 Dublin Boulevard, Dublin, CA 94568.

Summaries of the latest available audited financial information as of and for the fiscal year ended June 30, 2007, are as follows:

	Insurance Authority	LAVWMA
Total assets	\$ 18,493,395	\$ 193,970,906
Total liabilities	13,343,525	140,914,313
Total equity	5,149,870	53,056,593
Total revenues	9,545,178	15,875,558
Total expenses	8,109,578	10,213,554
Net change in fund equity	1,435,600	5,662,004

10. NET ASSETS / FUND BALANCES

The government-wide and business-type activities financial statements utilize a net assets presentation. Net assets are categorized as invested capital assets (net of related debt), restricted and unrestricted.

Invested in Capital Assets, Net of Related Debt

This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

10. NET ASSETS / FUND BALANCES, Continued

Restricted Net Assets

This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets

This category represents net assets of the City, not restricted for any project or other purpose.

In the fund financial statements, fund balances consist of reserved and unreserved amounts. Reserved fund balance represents that portion of a fund balance which is not appropriable for expenditure or is legally segregated for a specific future use. The remaining portion is unreserved fund balance.

Portions of unreserved fund balance may be designated to indicate tentative plans for financial resource utilization in a future period, such as for general contingencies or capital projects. Such plans or intent are subject to change, have not been legally authorized and may not result in expenditures.

In the Fund Financial Statements, reserves and designations segregate portions of fund balance that are either not available or have been earmarked for specific purposes. The various reserves and designations are established by actions of the City Council and Management and can be increased, reduced or eliminated by similar actions. In Governmental Funds, fund reservations and designations are presented as a component of fund balance as follows:

	General Fund	Lower Income Housing	Livermore/ Pleasanton Fire Department (Livermore Share Only)	Non-major Funds
Reserved:				
Encumbrances	\$ 1,305,655	\$ -	\$ -	\$ -
Debt Service	-	-	-	412,354
Inventory	55,143	-	-	-
Total reserved	1,360,798	-	-	412,354
Unreserved, designated:				
Economic uncertainty	9,260,000	-	-	-
Carryovers	2,353,932	-	-	-
Golf Debt Service	2,000,000	-	-	-
Capital projects	5,000,000	-	-	64,812,331
Special purposes	-	13,350,704	14,885	7,512,156
Temporary recession	6,100,000	-	-	-
Total unreserved designated	24,713,932	13,350,704	14,885	72,324,487
Total Fund Equity	\$ 26,074,730	\$ 13,350,704	\$ 14,885	\$ 72,736,841

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

11. DEFINED BENEFIT PENSION PLAN

A. California Public Employees' Retirement Plan (PERS)

Plan Description - The City contributes to the California Public Employees' Retirement System (PERS). The miscellaneous and fire employees of the City are part of an agent multiple-employer defined benefit pension plan. The police employees are part of a cost-sharing multiple-employer defined benefit plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of PERS' annual financial report may be obtained from their Executive Office located at 400 P Street, Sacramento, California 95814.

Funding Policy - Active members are required by State statute to contribute 8% of their annual salary if a miscellaneous member, and 9% if a safety member. The City employer makes the contributions required of City employees on their behalf and for their account, which amounted to \$3,925,673 for the year ended June 30, 2007. The City's employer required contributions rate for Safety Fire employees was 23.976%, for Safety Police employees was 27.972%, and for Miscellaneous employees was 16.307% for the fiscal year.

Annual Pension Cost - For 2006-2007, the City's annual pension cost of \$9,401,787 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2004 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected salary increases range from 3.25% to 14.45% for miscellaneous employees and 3.25% to 13.15% for safety employees depending on age, service, and type of employment, and (c) 3.25% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3.00%. The actuarial value of PERS assets was determined using techniques that smooth the effects of volatility in the market value of investments over a fifteen year period. PERS unfunded actuarial liability (or surplus) is being amortized as a level percentage of projected payroll on a closed basis. The average remaining amortization period as of June 30, 2004 was 14 years for safety police, 32 years for safety fire and 30 years for miscellaneous employees for prior and current service unfunded liability.

The table on the following page shows the City's required contributions and the percentage contributed for the current year and each of the preceding two years for each of the City's pension plans.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

11. DEFINED BENEFIT PENSION PLAN, Continued

A. California Public Employees' Retirement Plan (PERS), Continued

THREE-YEAR TREND INFORMATION FOR PERS

Fiscal Year Ending	Miscellaneous Plan		Net Pension Obligation
	Annual Pension Cost (APC)	Percentage of APC Contributed	
	6/30/2005	\$ 3,321,534	
6/30/2006	4,277,144	100%	-
6/30/2007	4,022,664	100%	-

Fiscal Year Ending	Police Plan		Net Pension Obligation
	Annual Pension Cost (APC)	Percentage of APC Contributed	
	6/30/2005	\$ 1,860,453	
6/30/2006	2,267,853	100%	-
6/30/2007	2,405,345	100%	-

Fiscal Year Ending	Fire Plan		Net Pension Obligation
	Annual Pension Cost (APC)	Percentage of APC Contributed	
	6/30/2005	\$ 2,718,220	
6/30/2006	3,063,088	100%	-
6/30/2007	2,973,778	100%	-

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

12. POST EMPLOYMENT HEALTH CARE BENEFITS

A. Plan Description

The City provides post retirement health care benefits, in accordance with certain employee agreements, to all employees who retire directly from the City with a minimum of 5 years of service. The effective date varies based upon the employee's classification and related memorandum of understanding (MOU). For all employees who retire for service, the City shall pay for each year of service, four percent (4%) of the monthly premium for the employee and one dependent up to a maximum of 100% of the City's current Kaiser S-1 Health Plan coverage, except for management employees that have an option to use a second alternative, based on years of CalPERS service, as agreed to in its MOU. For all employees who retire for disability, the City shall pay a percentage of the monthly premium for the employee and one dependent of the City's current Kaiser S-1 Health Plan coverage in accordance with the applicable MOU. Currently, there are 193 retirees receiving this benefit.

The following plan design changes were negotiated with IAFF (International Association of Firefighters) in an effort to limit the growth in future liability. For employees in IAFF retiring from service after January 1, 2008, the City shall pay for each year of service, four percent (4%) of the City's monthly premium based on the lowest HMO medical plan for the employee and one dependent. Effective July 1, 2009, the City contribution toward any increase in medical plan premium will also be limited to a maximum of 15%. Also, effective January 1, 2008 co-pays for office visits and prescription drugs were increased.

The City's GASB Statement No. 45 implementation date is June 30, 2009 to either establish an irrevocable trust and pre-fund the benefit with existing assets or reflect a net Other Postemployment Benefits (OPEB) obligation in the entity-wide financial statements. No decision has yet been made in that regard. However, since assets have been accumulated for this purpose and the liability has been estimated, the following information is being disclosed.

B. OPEB Reserves

The City's contributions are recorded in the Retirees' Insurance Reserve and Livermore-Pleasanton Fire Retirees' Insurance Reserve Internal Services Funds (Funds). The following schedule identifies the beginning balance, annual contributions, payment of benefits, and ending balance for the reserves that are being accumulated for the purpose of paying retiree medical benefits.

Retiree Medical Reserve Funds

	Retiree Insurance Reserve	LPFD Reserve	Total
June 30, 2006 Balance	\$ 21,985,114	\$ 9,349,307	\$ 31,334,421
2006-2007 Contributions	3,225,000	1,400,000	4,625,000
2006-2007 Interest Income	1,237,309	530,447	1,767,756
*Pay-as-you-go benefits	(778,290)	(406,710)	(1,185,000)
June 30, 2007 Balance	<u>\$ 25,669,133</u>	<u>\$ 10,873,044</u>	<u>\$ 36,542,177</u>

*Includes \$40,588 in professional services for legal and actuarial services but does not include an implicit rate subsidy of \$459,000

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

12. POST EMPLOYMENT HEALTH CARE BENEFITS, Continued

C. Estimated OPEB Measures - GASB #45 Basis

The following schedule reflects the estimated Actuarial Accrued Liability (AAL) at June 30, 2007 under two scenarios, one with an earnings assumption of 4.25% and one with 7.75%.

OPEB Estimates at June 30, 2007

	<u>4.25%</u>	<u>7.75%</u>
Actuarial Accrued Liability (AAL)		
Non-Fire	\$ 77,045,000	\$ 50,876,000
Fire	41,467,000	26,197,000
Total	<u>\$ 118,512,000</u>	<u>\$ 77,073,000</u>

The Annual Required Contribution (ARC) is the amount an employer would contribute to pre-funding the plan using GASB #45 measures. Based upon the AAL at June 30, 2007 the calculation of the 2007-08 Annual Required Contribution (ARC) is shown in the schedule below. The estimates for the 2007-08 ARC are shown in two scenarios; one with existing assets not invested in an irrevocable trust with an earnings assumption of 4.25% and another with assets invested in an irrevocable trust with earnings assumptions of 7.75% and amortized over either a 20 year or 30 year period. These two scenarios are intended as low and high "book end" measures. The ARC is likely to fall between these two numbers once GASB #45 is implemented. It is the intention of the City of Pleasanton to begin prefunding using these measures prior to June 30, 2009, the required implementation date for GASB #45.

Annual Required Contribution (ARC)

	<u>4.25%</u>		<u>7.75%</u>	
	<u>20 year</u>	<u>30 year</u>	<u>20 year</u>	<u>30 year</u>
2007-08 ARC without investing				
Reserves in irrevocable Trust	\$ 12,367,000	\$ 10,328,000		
Percent of Payroll	29.4%	24.6%		
2007-08 ARC after investing				
Reserves in irrevocable Trust			\$ 5,696,000	\$ 5,038,000
Percent of Payroll			13.5%	12.0%

Note: The actual 2006-07 contribution to reserves was \$4,625,000 or 10.2% of actual payroll.
The budgeted contribution for 2007-08 is \$6,028,400, or 12.8% of projected payroll.

The amounts that will be reported in the City's annual financial report when Statement #45 is implemented will depend on the actuarial methods and assumptions chosen for the actuarial valuation and whether the plan is administered as a qualified OPEB plan trust. These estimates are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between employer and plan members to that point.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

12. POST EMPLOYMENT HEALTH CARE BENEFITS, Continued

C. Estimated OPEB Measures - GASB #45 Basis, Continued

The entry age normal actuarial cost method was used to calculate these estimates. The actuarial assumptions included 4.25% and 7.75% investment rates of return (net of administrative expenses), and annual healthcare cost trend rates for medical of 11% (12% for PPO's) initially decreasing to 4.5% (5% for PPO's) over ten years. Salary scale and demographic assumptions for withdrawal, mortality, disability, and retirement rates were based on the CalPERS 1997 - 2002 experience study (2.7% at 55 for Miscellaneous and 3% at 50 for Fire).

13. COMMITMENTS AND CONTINGENCIES

A. Animal Shelter

The cities of Pleasanton, Dublin and Livermore and the County of Alameda (County) reached an agreement under which the County constructed an animal shelter facility on its property with an estimated final cost of \$3,900,000. The facility was placed in service during fiscal year 1996. Under the agreement, the entities will share in the debt service costs of the project based on their use of the animal shelter. Pleasanton contributed \$59,520 during the year representing its share of the fiscal year 2007 debt service payment.

B. BART Station at West Dublin/Pleasanton

On June 30, 2006, the Bay Area Rapid Transit Authority (BART) sold \$65 million in Sales Tax Revenue Bonds to finance the construction of the West Dublin/Pleasanton station to be located near the Stoneridge Mall. This will be the second of two BART stations in the City of Pleasanton. Pursuant to an agreement, the City contributed \$500,000 to a reserve fund for the project debt service and a reserve for operations and maintenance for the new station, with an additional \$500,000 due when the station begins operation, expected in 2009. In addition, a 350-unit apartment complex is proposed on a portion of the BART property.

C. Lawsuits in the Normal Course of Business

The City is presently involved in certain matters of litigation that have arisen in the normal course of conducting City business. City management believes, based upon consultation with the City Attorney, that these cases, in the aggregate, are not expected to result in a material adverse financial impact on the City. Additionally, City management believes that the City's insurance programs are sufficient to cover any potential losses should an unfavorable outcome materialize.

D. LAVWMA Bonds

The City has recorded an investment in joint venture for its participation in the Livermore-Amador Valley Water Management Agency (LAVWMA). LAVWMA issued 2001 Series A Sewer Revenue Bonds on March 1, 2001 to finance the costs of improvements to the wastewater disposal system, including the Export Pipeline Expansion/Rehabilitation Project. The total project cost is approximately \$149 million. The City's proportionate share of the project will be approximately 32%.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

13. COMMITMENTS AND CONTINGENCIES, Continued

E. Construction Commitments

The City had several outstanding or planned construction projects as of June 30, 2007. These projects are evidenced by contractual commitments with contractors, and include the following major projects:

<u>Project Description</u>	<u>Amounts</u>
Alviso Adobe Restoration	\$ 4,543,573
Vineyard Reservoir and Water Pump Station	3,450,813
Vineyard Avenue Median and Rubberized Asphalt	968,502
Veteran's Building Renovation	563,329
Annual Curb and Gutter Replacement	320,918
Kottinger Creek Restoration	162,905
Annual Traffic Buttons and Markers	121,514
Pleasanton Middle School Tennis Court Lighting	95,515
Bernal Creek Restoration	92,882
Total	<u>\$ 10,319,951</u>

14. PRIOR PERIOD ADJUSTMENTS

A. Government-Wide Financial Statements

During fiscal year 2007, the City recorded the following prior period adjustments to record capital assets additions that were omitted in error from the prior fiscal year.

	<u>Net Assets as Previously Reported</u>	<u>Capital Assets Additions</u>	<u>Net Assets as Restated</u>
Government-Wide Activities:			
Business-type Activities			
Net assets	<u>\$ 242,857,202</u>	<u>\$ 7,608,045</u>	<u>\$ 250,465,247</u>
Total	<u>\$ 242,857,202</u>	<u>\$ 7,608,045</u>	<u>\$ 250,465,247</u>

B. Fund Financial Statements

During fiscal year 2007, the City recorded a prior period adjustment in its Water Fund to record capital assets that were omitted in error from the prior fiscal years. In addition, the City recorded an adjustment to defer certain revenues erroneously recognized as revenue in prior years.

City of Pleasanton
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

14. PRIOR PERIOD ADJUSTMENTS, Continued

B. Fund Financial Statements, Continued

	Fund Balance as Previously Reported	Capital Assets Additions	Reclassified Prior Year Deferred Revenue	Fund Balance as Restated
Governmental funds:				
Lower Income Housing Fund	\$ 12,486,190		\$ (817,458)	\$ 11,668,732
Enterprise funds:				
Water Fund	90,805,156	7,608,045		98,413,201
Total	<u>\$ 103,291,346</u>	<u>\$ 7,608,045</u>	<u>\$ (817,458)</u>	<u>\$ 110,081,933</u>

15. SUBSEQUENT EVENTS

Joining the East Bay Regional Communications Joint Powers Authority

In July 2007, the City joined the East Bay Regional Communications System, Joint Powers Authority (EBRCS-JPA). The Authority was formed to govern the regional communications system servicing the counties of Alameda and Contra Costa. The Authority is governed by 23 board of directors selected from participating counties and cities. Start-up cost and additional contributions to the Authority by each member agency will be specified in the funding plan to be adopted by the Authority's Board within 90 days of the execution of the agreement.

REQUIRED SUPPLEMENTARY INFORMATION

City of Pleasanton
Required Supplementary Information
For the year ended June 30, 2007

1. BUDGETARY BASIS OF ACCOUNTING

The following procedures are performed by the City in establishing the budgetary data reflected in the basic financial statements:

1. Prior to July 1, the City Manager submits to the City Council a proposed operating budget for the coming fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayers' comments.
3. The budget is legally adopted through passage of a Council resolution.
4. The transfer of budgeted amounts between funds must be approved by the City Council.
5. A budget review is presented to the City Council by the City Manager mid-year and approved additions or changes are legally adopted through Council resolution.
6. Formal budgetary integration is employed as a management control device during the fiscal year for the General Fund, Special Revenue Funds, Debt Service funds and certain Capital Projects Funds, Enterprise Funds and Internal Service Funds.
7. The budgeted funds are adopted on a basis consistent with generally accepted accounting principles in the United States.
8. Expenditures may not legally exceed budgeted appropriations at the fund level. Management does not have the authority to amend the budget without the approval of the City Council. However, the City Manager may authorize transfers from one account to another within the same fund.

City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2007

1. BUDGETARY BASIS OF ACCOUNTING, Continued

Budgetary Comparison Schedule – General Fund

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 72,534,238	\$ 75,940,270	\$ 75,235,506	\$ (704,764)
Licenses	11,664	11,664	11,259	(405)
Permits	2,449,063	2,095,063	1,950,100	(144,963)
Fines and forfeitures	660,399	542,611	526,208	(16,403)
Use of money and property	690,538	854,663	1,519,134	664,471
Intergovernmental	1,033,088	1,179,599	1,195,712	16,113
Franchises	1,608,105	1,681,481	1,727,617	46,136
Development fees	121,682	422,401	440,077	17,676
Plan check fees	1,002,573	986,013	924,558	(61,455)
Charges for services	1,394,349	1,205,329	1,111,518	(93,811)
Contribution and donations	2,294	7,544	8,171	627
Other revenues	3,311,068	3,226,320	3,024,907	(201,413)
Reimbursements	676,215	1,138,661	1,359,231	220,570
Recreation	3,549,138	3,601,102	3,659,920	58,818
Total revenues	89,044,414	92,892,721	92,693,918	(198,803)
EXPENDITURES:				
Current:				
General government	11,598,460	12,484,458	11,362,742	1,121,716
Public safety	34,804,190	35,912,363	34,842,528	1,069,835
Planning and community development	3,497,599	4,133,864	3,642,764	491,100
Public works	16,037,063	15,939,765	15,612,945	326,820
Community activities	17,510,152	18,016,348	17,432,117	584,231
Capital outlay	470,590	663,128	477,514	185,614
Total expenditures	83,918,054	87,149,926	83,370,610	3,779,316
REVENUES OVER (UNDER) EXPENDITURES	5,126,360	5,742,795	9,323,308	3,580,513
OTHER FINANCING SOURCES (USES):				
Transfers in	23,640	23,640	23,640	-
Transfers out	(7,400,000)	(7,490,000)	(7,793,135)	(303,135)
Total other financing sources	(7,376,360)	(7,466,360)	(7,769,495)	(303,135)
Net change in fund balances	\$ (2,250,000)	\$ (1,723,565)	1,553,813	\$ 3,277,378
FUND BALANCES:				
Beginning of year			24,520,917	
End of year			<u>\$ 26,074,730</u>	

City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2007

1. BUDGETARY BASIS OF ACCOUNTING, Continued

Budgetary Comparison Schedule – Lower Income Housing Fund

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 365,000	\$ 592,000	\$ 865,591	\$ 273,591
Contributions and donations	-	-	-	-
Development fees	2,223,273	840,563	933,801	93,238
Other revenues	-	35,000	15,146	(19,854)
Reimbursements	-	-	184,562	184,562
Total revenues	<u>2,588,273</u>	<u>1,467,563</u>	<u>1,999,100</u>	<u>531,537</u>
EXPENDITURES:				
Current:				
Planning and community development	264,391	762,613	277,447	485,166
Capital outlay	-	-	39,681	(39,681)
Total expenditures	<u>264,391</u>	<u>762,613</u>	<u>317,128</u>	<u>445,485</u>
Net change in fund balances	<u>\$ 2,323,882</u>	<u>\$ 704,950</u>	1,681,972	<u>\$ 977,022</u>
FUND BALANCES:				
Beginning of year, as restated			<u>11,668,732</u>	
End of year			<u>\$ 13,350,704</u>	

City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2007

1. BUDGETARY BASIS OF ACCOUNTING, Continued

Budgetary Comparison Schedule – Livermore Pleasanton Fire Department (Livermore Share Only) Fund

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 15,000	\$ 35,000	\$ 64,002	\$ 29,002
Intergovernmental	-	409,560	498,029	88,469
Charges for services	13,114,169	12,477,758	12,127,163	(350,595)
Reimbursements	7,000	8,875	11,935	3,060
Contribution and donations	-	6,900	6,500	(400)
Other revenues	15,200	25,281	2,013	(23,268)
Total revenues	<u>13,151,369</u>	<u>12,963,374</u>	<u>12,709,642</u>	<u>(253,732)</u>
EXPENDITURES:				
Current:				
Public safety	13,307,640	13,308,562	12,758,819	549,743
Capital outlay	15,000	26,900	15,056	11,844
Total expenditures	<u>13,322,640</u>	<u>13,335,462</u>	<u>12,773,875</u>	<u>561,587</u>
Net change in fund balances	<u>\$ (171,271)</u>	<u>\$ (372,088)</u>	(64,233)	<u>\$ 307,855</u>
FUND BALANCES:				
Beginning of year			<u>79,118</u>	
End of year			<u>\$ 14,885</u>	

City of Pleasanton
Required Supplementary Information, Continued
For the year ended June 30, 2007

2. PENSION PLAN SCHEDULE OF FUNDING PROGRESS

Miscellaneous

Actuarial Valuation Date	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	Unfunded (Overfunded) Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Actuarial Liability as Percentage of Covered Payroll
6/30/2004	\$ 71,098,657	\$ 94,134,819	\$ 23,036,162	75.5%	\$ 21,406,350	107.6%
6/30/2005	79,274,450	104,511,771	25,237,321	75.9%	22,078,225	114.3%
6/30/2006	89,223,377	116,328,913	27,105,536	76.7%	24,085,823	112.5%

Fire Safety

Actuarial Valuation Date	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	Unfunded (Overfunded) Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Actuarial Liability as Percentage of Covered Payroll
6/30/2004	\$ 77,816,104	\$ 95,765,853	\$ 17,949,749	81.3%	\$ 11,368,857	157.9%
6/30/2005	83,925,772	104,238,395	20,312,623	80.5%	11,703,881	173.6%
6/30/2006	90,841,578	111,700,371	20,858,793	81.3%	12,203,017	170.9%

Police Safety

As of the actuarial valuation date of June 30, 2003, the City's police plan became part of a CalPERS Risk Pool for employers with less than 100 active plan members. As part of a cost-sharing multiple-employer defined benefit plan, disclosure of the schedule of funding progress is not required.

SUPPLEMENTAL INFORMATION

City of Pleasanton
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2007

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
ASSETS				
Cash and investments	\$ 7,830,512	\$ -	\$ 65,382,664	\$ 73,213,176
Receivables:				
Accounts	1,166,191	-	374,137	1,540,328
Grants	275,000	-	-	275,000
Interest	108,776	-	748,170	856,946
Restricted cash and investments	-	412,354	-	412,354
Total assets	\$ 9,380,479	\$ 412,354	\$ 66,504,971	\$ 76,297,804
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 808,578	\$ -	\$ 1,435,897	\$ 2,244,475
Due to other funds	1,015,617	-	-	1,015,617
Deposits	750	-	256,743	257,493
Deferred revenue	43,378	-	-	43,378
Total liabilities	1,868,323	-	1,692,640	3,560,963
Fund Balances:				
Reserved	-	412,354	-	412,354
Unreserved designated for:				
Capital projects	-	-	64,812,331	64,812,331
Specific purposes	7,512,156	-	-	7,512,156
Total fund balances	7,512,156	412,354	64,812,331	72,736,841
Total liabilities and fund balances	\$ 9,380,479	\$ 412,354	\$ 66,504,971	\$ 76,297,804

City of Pleasanton
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended June 30, 2007

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
REVENUES:				
Special assessments	\$ 190,362	\$ -	\$ -	\$ 190,362
Fines and forfeitures	-	-	-	-
Use of money and property	419,769	20,798	3,037,275	3,477,842
Intergovernmental	4,139,305	-	100,000	4,239,305
Charges for service	29,320	-	-	29,320
Development fees	-	-	2,450,933	2,450,933
Reimbursements	121,255	-	470,221	591,476
Contributions and donations	41,695	-	691,778	733,473
Other revenues	271,714	-	-	271,714
Total revenues	5,213,420	20,798	6,750,207	11,984,425
EXPENDITURES:				
Current:				
Public safety	24,876	-	-	24,876
Planning and community development	1,325,038	-	5,501	1,330,539
Public works	158,725	-	8,920	167,645
Community activities	365,904	-	52,931	418,835
Capital outlay	5,124,680	-	10,864,206	15,988,886
Debt service:				
Principal	-	1,345,000	-	1,345,000
Interest and fiscal charges	-	1,204,063	-	1,204,063
Total expenditures	6,999,223	2,549,063	10,931,558	20,479,844
REVENUES OVER (UNDER) EXPENDITURES	(1,785,803)	(2,528,265)	(4,181,351)	(8,495,419)
OTHER FINANCING SOURCES (USES):				
Transfers in	10,000	2,529,524	14,754,050	17,293,574
Transfers out	(33,640)	-	(8,603,060)	(8,636,700)
Total other financing sources (uses)	(23,640)	2,529,524	6,150,990	8,656,874
Net change in fund balances	(1,809,443)	1,259	1,969,639	161,455
FUND BALANCES:				
Beginning of year	9,321,599	411,095	62,842,692	72,575,386
End of year	\$ 7,512,156	\$ 412,354	\$ 64,812,331	\$ 72,736,841

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NON-MAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of special revenue sources, other than special assessments and major capital projects, which are legally restricted to expenditures for specified purposes.

D.A.R.E Trust

The Drug Abuse Resistance Education (D.A.R.E) fund accounts for private donations made to specifically enhance the City's D.A.R.E program.

Asset Forfeiture

This fund accounts for the proceeds from assets forfeited as a result of investigations of criminal offenses, generally narcotics related. In accordance with the Health and Safety Code section 11489, the funds must be used for law enforcement and prosecution efforts.

Central Business District Parking (CBD) In-Lieu

This fund accounts for fees collected from developers in the downtown area in lieu of providing required parking. The City will use this money to build downtown parking structures in the future.

Resource Management

This fund accounts for Measure D revenues from Alameda County as well as other mitigation revenues. The City has developed a variety of recycling programs in accordance with state and county requirements.

Miscellaneous Donations

This fund is used to account for donations made to the City for equipment or to enhance services in accordance with the donor's requests.

Landscape and Lighting Districts

Residents of five different subdivisions (Ponderosa 84-1, Windsor 93-1, Bonde 93-2, Moller 95-1 and Oak Tree Farms 94-1) participate in landscape maintenance districts that pay to maintain and repair designated landscaped and open space areas. It is administered by the City but paid for by the homeowners through annual assessments placed on their property tax bills.

Geologic Hazard Assessment Districts (GHADs)

Residents of four different subdivisions (Lemoine, Laurel Creek, Moller and Oak Tree Farm) participate in assessment districts that will pay for any landslide repairs and related geologic work. It is administered by the City but paid for by the homeowners through annual assessments placed on their property tax bills.

Measure B Street Repair

This fund accounts for moneys received from voter-approved Measure B which is to be used for street construction, repair and maintenance and bicycle pathways.

Gas Tax

The City receives its share of gas tax from the State and uses the funds to construct, reconstruct and maintain streets throughout the City as designated in the annual capital improvement program.

H.O.M.E Program

The Housing Opportunities Made Easy program is funded through a federal grant from the U.S. Department of Housing and Urban Development. The City receives its annual formula allocation and the funds must be used for housing projects that benefit lower income persons.

NON-MAJOR SPECIAL REVENUE FUNDS, Continued

M.T.C. Funds

The City annually applies to the Metropolitan Transportation Commission (M.T.C.) for monies to be used on various bicycle path projects.

Abandoned Vehicle

The City receives funds from a vehicle registration surcharge for abatement of abandoned vehicles. The funds are used to cover the costs associated with the handling of abandoned vehicles.

Urban Forestry Program

This fund was created to promote conservation and public education in regard to Pleasanton's street trees, park trees and trees on private property. Revenue sources include donations and fines assessed for damaging heritage trees.

Library Trust Fund

This fund was established in 2000-01 to account for donations made to the library. Funds will be expended for equipment and enhanced services in accordance with donor's requests.

Miscellaneous Grants

This fund includes various grant revenues received for projects in the Miscellaneous Capital Improvement Program, the Used Oil program, AB3229 revenues for front line law enforcement expenditures, and Federal Block Grants for law enforcement programs.

Ridgeview Commons Housing

This fund had been established to address minor facility enhancements to Ridgeview Commons senior housing project. Revenues resulted from the fact that the projected cost of constructing the facility exceeded the actual costs.

HBPOA Maintenance District

This fund receives revenue from the Hacienda Business Park Owners Association to maintain the traffic signals within their business park. The City administers the maintenance contracts.

Community Development Block Grant

The Community Development Block Grant (CDBG) program is funded through a federal grant from the U.S. Department of Housing and Urban Development. CDBG funds must be used for projects and activities that benefit at least 70 percent lower income persons. Eligible projects include capital improvements, housing rehabilitation, public services, and economic development activities.

Traffic Grants

This fund receives grants from State and Federal agencies for various traffic related projects.

State Park Bonds

This fund receives revenue from State Park Bonds for various Park Capital Improvement projects.

Downtown Economic Loan

This fund was established in 1995-96 to provide design and other assistance to downtown merchants to improve their facades. Proposed expenditures in the future will be loans to merchants.

Disaster Relief

This fund accounted for monies received for storm drain flooding projects.

Federal ISTEA Program

This fund accounts for grant revenues from the Federal Intermodal Surface Transportation Efficiency Act (ISTEA).

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City of Pleasanton
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2007

	D.A.R.E. Trust	Asset Forfeiture	CBD Parking In-Lieu	Resource Management	Miscellaneous Donations	Landscape and Lighting Districts
ASSETS						
Cash and investments	\$ 42,279	\$ 62,551	\$ 228,332	\$ 1,112,751	\$ 99,443	\$ 320,000
Receivables:						
Accounts	-	-	-	13,089	-	1,123
Grants	-	-	-	-	-	-
Interest	569	1,008	2,934	20,851	1,190	4,052
Total assets	<u>\$ 42,848</u>	<u>\$ 63,559</u>	<u>\$ 231,266</u>	<u>\$ 1,146,691</u>	<u>\$ 100,633</u>	<u>\$ 325,175</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 2,697	\$ -	\$ -	\$ 164,608	\$ -	\$ 16,981
Due to other funds	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	<u>2,697</u>	<u>-</u>	<u>-</u>	<u>164,608</u>	<u>-</u>	<u>16,981</u>
Fund Balances:						
Unreserved designated for:						
Special purposes	40,151	63,559	231,266	982,083	100,633	308,194
Total fund balances	<u>40,151</u>	<u>63,559</u>	<u>231,266</u>	<u>982,083</u>	<u>100,633</u>	<u>308,194</u>
Total liabilities and fund balances	<u>\$ 42,848</u>	<u>\$ 63,559</u>	<u>\$ 231,266</u>	<u>\$ 1,146,691</u>	<u>\$ 100,633</u>	<u>\$ 325,175</u>

Geologic Hazard Assessment Districts	Measure B Street Repair	Gas Tax	H.O.M.E. Program	M.T.C. Funds	Abandoned Vehicle	Urban Forestry Program	Library Trust Fund
\$ 500,491	\$ 1,471,734	\$ 3,303,552	\$ -	\$ -	\$ 210,487	\$ 229,016	\$ 7,818
2,050	245,821	116,993	526,109	-	7,276	11,036	-
-	-	-	-	-	-	-	-
6,444	20,659	41,970	-	-	2,859	2,960	128
<u>\$ 508,985</u>	<u>\$ 1,738,214</u>	<u>\$ 3,462,515</u>	<u>\$ 526,109</u>	<u>\$ -</u>	<u>\$ 220,622</u>	<u>\$ 243,012</u>	<u>\$ 7,946</u>
\$ -	\$ -	\$ 557,416	\$ 3,876	\$ -	\$ -	\$ 121	\$ -
-	-	-	522,233	-	-	-	-
-	-	750	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	558,166	526,109	-	-	121	-
508,985	1,738,214	2,904,349	-	-	220,622	242,891	7,946
508,985	1,738,214	2,904,349	-	-	220,622	242,891	7,946
<u>\$ 508,985</u>	<u>\$ 1,738,214</u>	<u>\$ 3,462,515</u>	<u>\$ 526,109</u>	<u>\$ -</u>	<u>\$ 220,622</u>	<u>\$ 243,012</u>	<u>\$ 7,946</u>

(Continued)

City of Pleasanton
Combining Balance Sheet
Non-Major Special Revenue Funds, Continued
June 30, 2007

	Miscellaneous Grants	Ridgeview Commons Housing	HBPOA Maintenance District	Community Development Block Grant	Traffic Grants	State Park Bonds
ASSETS						
Cash and investments	\$ 175,582	\$ 33,921	\$ -	\$ -	\$ -	\$ -
Receivables:						
Accounts	116,701	-	34,118	63,485	-	28,390
Grants	-	-	-	-	275,000	-
Interest	2,504	436	-	-	-	-
Total assets	\$ 294,787	\$ 34,357	\$ 34,118	\$ 63,485	\$ 275,000	\$ 28,390
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 38,569	\$ -	\$ 20,045	\$ 4,173	\$ -	\$ 92
Due to other funds	116,701	-	14,073	59,312	275,000	28,298
Deposits	-	-	-	-	-	-
Deferred revenue	43,378	-	-	-	-	-
Total liabilities	198,648	-	34,118	63,485	275,000	28,390
Fund Balances:						
Unreserved designated for:						
Special purposes	96,139	34,357	-	-	-	-
Total fund balances	96,139	34,357	-	-	-	-
Total liabilities and fund balances	\$ 294,787	\$ 34,357	\$ 34,118	\$ 63,485	\$ 275,000	\$ 28,390

Downtown Economic Loan	Disaster Relief	Federal ISTE Program	Total
\$ 23,187	\$ 9,368	\$ -	\$ 7,830,512
-	-	-	1,166,191
-	-	-	275,000
212	-	-	108,776
<u>\$ 23,399</u>	<u>\$ 9,368</u>	<u>\$ -</u>	<u>\$ 9,380,479</u>

\$ -	\$ -	\$ -	\$ 808,578
-	-	-	1,015,617
-	-	-	750
-	-	-	43,378
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,868,323</u>

23,399	9,368	-	7,512,156
<u>23,399</u>	<u>9,368</u>	<u>-</u>	<u>7,512,156</u>
<u>\$ 23,399</u>	<u>\$ 9,368</u>	<u>\$ -</u>	<u>\$ 9,380,479</u>

(Concluded)

City of Pleasanton
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
For the year ended June 30, 2007

	D.A.R.E. Trust	Asset Forfeiture	CBD Parking In-Lieu	Resource Management	Miscellaneous Donations	Landscape and Lighting Districts
REVENUES:						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 129,155
Fines and forfeitures	-	-	-	-	-	-
Use of money and property	2,041	3,950	11,584	87,581	4,717	15,442
Intergovernmental	-	-	-	-	-	-
Charges for service	-	-	-	-	-	-
Reimbursements	-	-	-	-	-	-
Contributions and donations	13,466	-	-	-	19,173	-
Other	-	10,792	-	248,399	-	11,565
Total revenues	15,507	14,742	11,584	335,980	23,890	156,162
EXPENDITURES:						
Current:						
Public safety	5,606	7,270	-	-	-	-
Planning and community development	-	-	-	1,167,530	-	-
Public works	-	-	-	-	-	-
Community activities	-	-	-	-	-	146,538
Capital outlay	-	-	-	-	-	-
Total expenditures	5,606	7,270	-	1,167,530	-	146,538
REVENUES OVER (UNDER) EXPENDITURES	9,901	7,472	11,584	(831,550)	23,890	9,624
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers out	-	(23,640)	-	-	-	-
Total other financing source	-	(23,640)	-	-	-	-
Net change in fund balances	9,901	(16,168)	11,584	(831,550)	23,890	9,624
FUND BALANCES:						
Beginning of year	30,250	79,727	219,682	1,813,633	76,743	298,570
End of year	\$ 40,151	\$ 63,559	\$ 231,266	\$ 982,083	\$ 100,633	\$ 308,194

Geologic Hazard Assessment Districts	Measure B	Gas Tax	H.O.M.E. Program	M.T.C. Funds	Abandoned Vehicle	Urban Forestry Program	Library Trust Fund
\$ 61,207	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
25,059	71,138	162,405	-	-	11,047	11,670	666
-	1,044,906	1,236,710	512,083	-	-	-	-
-	-	-	-	-	29,320	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	5,350	3,706
958	-	-	-	-	-	-	-
87,224	1,116,044	1,399,115	512,083	-	40,367	17,020	4,372
-	-	-	-	-	12,000	-	-
-	-	-	3,890	-	-	-	-
27,703	21,341	-	-	-	-	-	-
-	-	-	-	-	-	6,864	4,111
-	1,633,433	1,991,242	508,193	-	-	-	7,044
27,703	1,654,774	1,991,242	512,083	-	12,000	6,864	11,155
59,521	(538,730)	(592,127)	-	-	28,367	10,156	(6,783)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
59,521	(538,730)	(592,127)	-	-	28,367	10,156	(6,783)
449,464	2,276,944	3,496,476	-	-	192,255	232,735	14,729
\$ 508,985	\$ 1,738,214	\$ 2,904,349	\$ -	\$ -	\$ 220,622	\$ 242,891	\$ 7,946

(Continued)

City of Pleasanton
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds, Continued
For the year ended June 30, 2007

	Miscellaneous Grants	Ridgeview Commons Housing	HBPOA Maintenance District	Community Development Block Grant	Traffic Grants	State Park Bonds
REVENUES:						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-
Use of money and property	10,053	1,721	-	-	-	-
Intergovernmental	744,247	-	-	324,355	275,000	2,004
Charges for service	-	-	-	-	-	-
Reimbursements	11,574	-	109,681	-	-	-
Contributions and donations	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	765,874	1,721	109,681	324,355	275,000	2,004
EXPENDITURES:						
Current:						
Public safety	-	-	-	-	-	-
Planning and community development	-	-	-	153,618	-	-
Public works	-	-	109,681	-	-	-
Community activities	208,391	-	-	-	-	-
Capital outlay	537,027	-	-	170,737	275,000	2,004
Total expenditures	745,418	-	109,681	324,355	275,000	2,004
REVENUES OVER (UNDER) EXPENDITURES	20,456	1,721	-	-	-	-
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(10,000)	-	-
Total other financing sources	-	-	-	(10,000)	-	-
Net change in fund balances	20,456	1,721	-	(10,000)	-	-
FUND BALANCES:						
Beginning of year	75,683	32,636	-	10,000	-	-
End of year	\$ 96,139	\$ 34,357	\$ -	\$ -	\$ -	\$ -

Downtown Economic Loan	Disaster Relief	Federal ISTE Program	Total
\$ -	\$ -	\$ -	\$ 190,362
-	-	-	-
695	-	-	419,769
-	-	-	4,139,305
-	-	-	29,320
-	-	-	121,255
-	-	-	41,695
-	-	-	271,714
695	-	-	5,213,420
-	-	-	24,876
-	-	-	1,325,038
-	-	-	158,725
-	-	-	365,904
-	-	-	5,124,680
-	-	-	6,999,223
695	-	-	(1,785,803)
10,000	-	-	10,000
-	-	-	(33,640)
10,000	-	-	(23,640)
10,695	-	-	(1,809,443)
12,704	9,368	-	9,321,599
\$ 23,399	\$ 9,368	\$ -	\$ 7,512,156

(Concluded)

City of Pleasanton
Budgetary Comparison Schedule
D.A.R.E Trust Special Revenue Fund
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 200	\$ 1,000	\$ 2,041	\$ 1,041
Contributions and donations	4,000	6,800	13,466	6,666
Total revenues	4,200	7,800	15,507	7,707
EXPENDITURES:				
Current:				
Public safety	9,000	9,000	5,606	3,394
Total expenditures	9,000	9,000	5,606	3,394
Net change in fund balances	\$ (4,800)	\$ (1,200)	9,901	\$ 11,101
FUND BALANCES:				
Beginning of year			30,250	
End of year			\$ 40,151	

City of Pleasanton
Budgetary Comparison Schedule
Asset Forfeiture Special Revenue Fund
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Fines and forfeitures	\$ -	\$ -	\$ -	\$ -
Other	-	-	10,792	10,792
Use of money and property	500	2,500	3,950	1,450
Total revenues	500	2,500	14,742	12,242
EXPENDITURES:				
Current:				
Public safety	7,500	7,500	7,270	230
Capital outlay	-	6,000	-	6,000
Total expenditures	7,500	13,500	7,270	6,230
OTHER FINANCING SOURCES (USES):				
Transfers out	(23,640)	(23,640)	(23,640)	-
Total other financing sources (uses)	(23,640)	(23,640)	(23,640)	-
Net change in fund balances	\$ (30,640)	\$ (34,640)	(16,168)	\$ 6,012
FUND BALANCES:				
Beginning of year			79,727	
End of year			\$ 63,559	

City of Pleasanton
Budgetary Comparison Schedule
CBD Parking In-Lieu Special Revenue Fund
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 8,000	\$ 8,000	\$ 11,584	\$ 3,584
Contributions and donations	-	-	-	-
Total revenues	<u>8,000</u>	<u>8,000</u>	<u>11,584</u>	<u>3,584</u>
Net change in fund balances	<u>\$ 8,000</u>	<u>\$ 8,000</u>	<u>11,584</u>	<u>\$ 3,584</u>
FUND BALANCES:				
Beginning of year			<u>219,682</u>	
End of year			<u>\$ 231,266</u>	

City of Pleasanton
Budgetary Comparison Schedule
Resource Management Special Revenue Fund
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 50,000	\$ 50,000	\$ 87,581	\$ 37,581
Other	295,953	325,953	248,399	(77,554)
Total revenues	345,953	375,953	335,980	(39,973)
EXPENDITURES:				
Current:				
Planning and community development	765,753	1,564,829	1,167,530	397,299
Total expenditures	765,753	1,564,829	1,167,530	397,299
Net change in fund balances	\$ (419,800)	\$ (1,188,876)	(831,550)	\$ 357,326
FUND BALANCES:				
Beginning of year			1,813,633	
End of year			\$ 982,083	

City of Pleasanton
Budgetary Comparison Schedule
Miscellaneous Donations Special Revenue Fund
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 500	\$ 2,575	\$ 4,717	\$ 2,142
Contributions and donations	-	12,000	19,173	7,173
Other	-	-	-	-
Total revenues	500	14,575	23,890	9,315
EXPENDITURES:				
Capital Outlay	-	65,125	-	65,125
Total expenditures	-	65,125	-	65,125
Net change in fund balances	\$ 500	\$ (50,550)	23,890	\$ 74,440
FUND BALANCES:				
Beginning of year			76,743	
End of year			\$ 100,633	

City of Pleasanton
Budgetary Comparison Schedule
Landscape and Lighting Districts
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Special assessments	\$ 128,300	\$ 128,300	\$ 129,155	\$ 855
Use of money and property	5,400	6,800	15,442	8,642
Other	11,561	11,565	11,565	-
Total revenues	145,261	146,665	156,162	9,497
EXPENDITURES:				
Current:				
Community activities	138,125	179,305	146,538	32,767
Total expenditures	138,125	179,305	146,538	32,767
Net change in fund balances	\$ 7,136	\$ (32,640)	9,624	\$ 42,264
FUND BALANCES:				
Beginning of year			298,570	
End of year			\$ 308,194	

City of Pleasanton
Budgetary Comparison Schedule
Geologic Hazard Assessment Districts
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Special assessments	\$ 59,200	\$ 59,200	\$ 61,207	\$ 2,007
Use of money and property	8,700	12,200	25,059	12,859
Other	937	958	958	-
Total revenues	68,837	72,358	87,224	14,866
EXPENDITURES:				
Current:				
Public works	41,003	51,308	27,703	23,605
Total expenditures	41,003	51,308	27,703	23,605
Net change in fund balances	\$ 27,834	\$ 21,050	59,521	\$ 38,471
FUND BALANCES:				
Beginning of year			449,464	
End of year			\$ 508,985	

City of Pleasanton
Budgetary Comparison Schedule
Measure B Street Repair Special Revenue Fund
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 30,000	\$ 34,000	\$ 71,138	\$ 37,138
Intergovernmental	963,288	1,049,665	1,044,906	(4,759)
Total revenues	993,288	1,083,665	1,116,044	32,379
EXPENDITURES:				
Current:				
Public works	20,000	21,600	21,341	259
Capital outlay	3,029,509	3,019,224	1,633,433	1,385,791
Total expenditures	3,049,509	3,040,824	1,654,774	1,386,050
Net change in fund balances	\$ (2,056,221)	\$ (1,957,159)	(538,730)	\$ 1,418,429
FUND BALANCES:				
Beginning of year			2,276,944	
End of year			\$ 1,738,214	

City of Pleasanton
Budgetary Comparison Schedule
Gas Tax Special Revenue Fund
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 20,000	\$ 68,000	\$ 162,405	\$ 94,405
Intergovernmental	1,292,500	1,217,500	1,236,710	19,210
Total revenues	1,312,500	1,285,500	1,399,115	113,615
EXPENDITURES:				
Capital outlay	3,883,268	3,795,386	1,991,242	1,804,144
Total expenditures	3,883,268	3,795,386	1,991,242	1,804,144
Net change in fund balances	\$ (2,570,768)	\$ (2,509,886)	(592,127)	\$ 1,917,759
FUND BALANCES:				
Beginning of year			3,496,476	
End of year			\$ 2,904,349	

City of Pleasanton
Budgetary Comparison Schedule
H.O.M.E. Program Special Revenue Fund
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 170,590	\$ 970,715	\$ 512,083	\$ (458,632)
Total revenues	170,590	970,715	512,083	(458,632)
EXPENDITURES:				
Planning and community development	9,647	3,890	3,890	-
Capital outlay	160,943	966,825	508,193	458,632
Total expenditures	170,590	970,715	512,083	458,632
Net change in fund balances	\$ -	\$ -	-	\$ -
FUND BALANCES:				
Beginning of year			-	
End of year			\$ -	

City of Pleasanton
Budgetary Comparison Schedule
M.T.C. Special Revenue Fund
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 98,149	\$ 98,149	\$ -	\$ (98,149)
Total revenues	98,149	98,149	-	(98,149)
EXPENDITURES:				
Capital outlay	98,149	98,149	-	98,149
Total expenditures	98,149	98,149	-	98,149
Net change in fund balances	\$ -	\$ -	-	\$ -
FUND BALANCES:				
Beginning of year			-	
End of year			\$ -	

City of Pleasanton
Budgetary Comparison Schedule
Abandoned Vehicle Special Revenue Fund
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 3,000	\$ 6,000	\$ 11,047	\$ 5,047
Charge for services	28,000	28,000	29,320	1,320
Total revenues	31,000	34,000	40,367	6,367
EXPENDITURES:				
Current:				
Public safety	12,000	12,000	12,000	-
Total expenditures	12,000	12,000	12,000	-
Net change in fund balances	\$ 19,000	\$ 22,000	28,367	\$ 6,367
FUND BALANCES:				
Beginning of year			192,255	
End of year			\$ 220,622	

City of Pleasanton
Budgetary Comparison Schedule
Urban Forestry Program Special Revenue Fund
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Contributions and donations	\$ -	\$ -	\$ 5,350	\$ 5,350
Use of money and property	2,000	7,000	11,670	4,670
Reimbursement	-	-	-	-
Total revenues	<u>2,000</u>	<u>7,000</u>	<u>17,020</u>	<u>10,020</u>
EXPENDITURES:				
Current:				
Community activities	17,500	17,500	6,864	10,636
Total expenditures	<u>17,500</u>	<u>17,500</u>	<u>6,864</u>	<u>10,636</u>
Net change in fund balances	<u>\$ (15,500)</u>	<u>\$ (10,500)</u>	10,156	<u>\$ 20,656</u>
FUND BALANCES:				
Beginning of year			<u>232,735</u>	
End of year			<u>\$ 242,891</u>	

City of Pleasanton
Budgetary Comparison Schedule
Library Trust Fund Special Revenue Fund
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ 500	\$ 666	\$ 166
Contributions and donations	-	2,122	3,706	1,584
Total revenues	-	2,622	4,372	1,750
EXPENDITURES:				
Current:				
Community activities	-	16,063	4,111	11,952
Total expenditures	-	16,063	4,111	11,952
Net change in fund balances	\$ -	\$ (13,441)	261	\$ 13,702
FUND BALANCES:				
Beginning of year			14,729	
End of year			\$ 14,990	

City of Pleasanton
Budgetary Comparison Schedule
Miscellaneous Grants Special Revenue Fund
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 3,000	\$ 5,000	\$ 10,053	\$ 5,053
Intergovernmental	502,256	972,114	744,247	(227,867)
Reimbursement	24,443	34,178	11,574	(22,604)
Total revenues	529,699	1,011,292	765,874	(245,418)
EXPENDITURES:				
Current:				
Public safety	48,649	538,195	208,391	329,804
Capital outlay	481,052	545,968	537,027	8,941
Total expenditures	529,701	1,084,163	745,418	338,745
Net change in fund balances	\$ (2)	\$ (72,871)	20,456	\$ 93,327
FUND BALANCES:				
Beginning of year			75,683	
End of year			\$ 96,139	

City of Pleasanton
Budgetary Comparison Schedule
Ridgeview Commons Housing Special Revenue Fund
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 600	\$ 1,000	\$ 1,721	\$ 721
Other	-	-	-	-
Total revenues	600	1,000	1,721	721
EXPENDITURES:				
Current:				
Planning and community development	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balances	\$ 600	\$ 1,000	1,721	\$ 721
FUND BALANCES:				
Beginning of year			32,636	
End of year			\$ 34,357	

City of Pleasanton
Budgetary Comparison Schedule
HBPOA Maintenance District Special Revenue Fund
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Reimbursements	\$ 75,000	\$ 109,681	\$ 109,681	\$ -
Total revenues	75,000	109,681	109,681	-
EXPENDITURES:				
Public works	75,000	109,681	109,681	-
Total expenditures	75,000	109,681	109,681	-
Net change in fund balances	\$ -	\$ -	-	\$ -
FUND BALANCES:				
Beginning of year			-	
End of year			\$ -	

City of Pleasanton
Budgetary Comparison Schedule
Community Development Block Grant Special Revenue Fund
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 287,563	\$ 498,969	\$ 324,355	\$ (174,614)
Total revenues	287,563	498,969	324,355	(174,614)
EXPENDITURES:				
Current:				
Planning and community development	100,647	116,347	153,618	(37,271)
Capital outlay	186,916	382,622	170,737	211,885
Total expenditures	287,563	498,969	324,355	174,614
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(10,000)	(10,000)	-
Total other financing sources (uses)	-	(10,000)	(10,000)	-
Net change in fund balances	\$ -	\$ (10,000)	(10,000)	\$ -
FUND BALANCES:				
Beginning of year			10,000	
End of year			\$ -	

City of Pleasanton
Budgetary Comparison Schedule
Traffic Grants Special Revenue Fund
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 275,000	\$ 275,000	\$ 275,000	\$ -
Total revenues	275,000	275,000	275,000	-
EXPENDITURES:				
Capital outlay	275,000	275,000	275,000	-
Total expenditures	275,000	275,000	275,000	-
Net change in fund balances	\$ -	\$ -	-	\$ -
FUND BALANCES:				
Beginning of year			-	
End of year			\$ -	

City of Pleasanton
Budgetary Comparison Schedule
State Park Bonds Special Revenue Fund
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 943,874	\$ 843,874	\$ 2,004	\$ (841,870)
Total revenues	943,874	843,874	2,004	(841,870)
EXPENDITURES:				
Capital outlay	943,874	843,874	2,004	841,870
Total expenditures	943,874	843,874	2,004	841,870
Net change in fund balances	\$ -	\$ -	-	\$ -
FUND BALANCES:				
Beginning of year			-	
End of year			\$ -	

City of Pleasanton
Budgetary Comparison Schedule
Downtown Economic Loan Special Revenue Fund
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 695	\$ 695
Total revenues	-	-	695	695
OTHER FINANCING SOURCES (USES):				
Transfers in	-	10,000	10,000	-
Total other financing sources (uses)	-	10,000	10,000	-
Net change in fund balances	\$ -	\$ 10,000	10,695	\$ 695
FUND BALANCES:				
Beginning of year			12,704	
End of year			\$ 23,399	

City of Pleasanton
Budgetary Comparison Schedule
Disaster Relief Special Revenue Fund
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Net change in fund balances	\$ -	\$ -	-	\$ -
FUND BALANCES:				
Beginning of year			9,368	
End of year			\$ 9,368	

City of Pleasanton
Budgetary Comparison Schedule
Federal ISTEPA Program Special Revenue Fund
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 124,613	\$ 367,000	\$ -	\$ (367,000)
Total revenues	124,613	367,000	-	(367,000)
EXPENDITURES:				
Capital outlay	124,613	367,000	-	367,000
Total expenditures	124,613	367,000	-	367,000
Net change in fund balances	\$ -	\$ -	-	\$ -
FUND BALANCES:				
Beginning of year			-	
End of year			\$ -	

NON-MAJOR DEBT SERVICE FUNDS

Debt Service Funds account for the accumulation of resources for the payment of general long-term debt principal, interest and related costs.

2003 COPs

This fund accounts for the accumulation of resources and payment of principal and interest on debt issued on April 1, 2003 to construct a golf course and refund the 1991 Certificates of Participation.

2004 COPs

This fund accounts for the accumulation of resources and payment of principal and interest on debt issued on December 1, 2004 to refund the Pleasanton Joint Powers Financing Authority 1994 Series B Refunding Lease Revenue Bonds.

City of Pleasanton
Combining Balance Sheet
Non-Major Debt Service Funds
June 30, 2007

	2003 COPs	2004 COPs	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Restricted cash and investments	\$ 405	\$ 411,949	\$ 412,354
Total assets	<u>\$ 405</u>	<u>\$ 411,949</u>	<u>\$ 412,354</u>
FUND BALANCES			
Reserved for debt service	\$ 405	\$ 411,949	\$ 412,354
Total fund balances	<u>\$ 405</u>	<u>\$ 411,949</u>	<u>\$ 412,354</u>

City of Pleasanton
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Debt Service Funds
For the year ended June 30, 2007

	2003 COPs	2004 COPs	Total
REVENUES:			
Use of money and property	\$ 1,406	\$ 19,392	\$ 20,798
Total operating revenues	<u>1,406</u>	<u>19,392</u>	<u>20,798</u>
EXPENDITURES:			
Debt service:			
Principal	875,000	470,000	1,345,000
Interest	1,115,315	88,748	1,204,063
Total expenditures	<u>1,990,315</u>	<u>558,748</u>	<u>2,549,063</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,988,909)</u>	<u>(539,356)</u>	<u>(2,528,265)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	1,989,024	540,500	2,529,524
Total other financing sources (uses)	<u>1,989,024</u>	<u>540,500</u>	<u>2,529,524</u>
Net change in fund balances	115	1,144	1,259
FUND BALANCES:			
Beginning of year	290	410,805	411,095
End of year	<u>\$ 405</u>	<u>\$ 411,949</u>	<u>\$ 412,354</u>

City of Pleasanton
Budgetary Comparison Schedule
2003 COPs Debt Service Fund
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ 1,300	\$ 1,406	\$ 106
Total revenues	-	1,300	1,406	106
EXPENDITURES:				
Debt service:				
Principal	875,000	875,000	875,000	-
Interest, fiscal charges	1,115,315	1,115,315	1,115,315	-
Total expenditures	1,990,315	1,990,315	1,990,315	-
REVENUES OVER (UNDER) EXPENDITURES	(1,990,315)	(1,989,015)	(1,988,909)	106
OTHER FINANCING SOURCES (USES):				
Transfers in	1,990,315	1,990,315	1,989,024	(1,291)
Total other financing sources (uses)	1,990,315	1,990,315	1,989,024	(1,291)
Net change in fund balances	\$ -	\$ 1,300	115	\$ (1,185)
FUND BALANCES:				
Beginning of year			290	
End of year			\$ 405	

City of Pleasanton
Budgetary Comparison Schedule
2004 COPs Debt Service Fund
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 10,000	\$ 15,000	\$ 19,392	\$ 4,392
Total revenues	10,000	15,000	19,392	4,392
EXPENDITURES:				
Debt service:				
Principal	470,000	470,000	470,000	-
Interest, fiscal charges	88,748	88,748	88,748	-
Total expenditures	558,748	558,748	558,748	-
REVENUES OVER (UNDER) EXPENDITURES	(548,748)	(543,748)	(539,356)	4,392
OTHER FINANCING SOURCES (USES):				
Transfers in	558,748	558,748	540,500	(18,248)
Total other financing sources (uses)	558,748	558,748	540,500	(18,248)
Net change in fund balances	\$ 10,000	\$ 15,000	1,144	\$ (13,856)
FUND BALANCES:				
Beginning of year			410,805	
End of year			\$ 411,949	

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NON-MAJOR CAPITAL PROJECTS FUNDS

Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by Proprietary and Special Revenue Funds.

Miscellaneous Capital Improvement Program

This fund receives contributions from the General Fund to be used for the purchase of equipment or the construction of facilities as adopted in the annual miscellaneous capital improvement program.

Capital Improvements

This fund receives revenues from developers of properties. The moneys are used for the purchase of equipment or construction of facilities related to the new property development as adopted in the annual miscellaneous capital improvement program.

Neighborhood Park Development

This fund receives revenues from developers of properties and the funds may only be used for the design, development, and construction of new parks within the City.

Street Capital Improvement Program

This fund receives contributions from the General Fund to be used for the construction, reconstruction and maintenance of City streets as adopted in the annual streets capital improvement program.

Traffic Impact

This fund receives revenues from developers of commercial and residential properties. The funds may only be used for traffic/street improvements.

Street In-Lieu

This fund receives revenues from developers of properties and the funds may only be used for street improvements relating to their developments.

Vineyard Corridor

This fund was established in fiscal year 02-03. The purpose of the fund is to offset risk for the City and the Pleasanton Unified School District during the construction of Vineyard Avenue.

Landscape Maintenance North Pleasanton Improvement District

This fund accounts for the portion of the N.P.I.D. #3 funds that have been designated for the temporary maintenance of freeway onramps landscape.

Traffic Impact Fund - Bernal Property

This fund was set up in 2000-01. A percentage of the traffic impact fees collected from developers are deposited in this fund and used for the construction of the Bernal interchange.

Budgeted Developer Projects

This fund receives revenue from developers for specific capital improvement projects.

NON-MAJOR CAPITAL PROJECTS FUNDS, Continued

Assessment District Construction

This fund includes the construction funds of Assessment District NPID 1 and Assessment District Stoneridge Business Center. The projects include street and intersection improvements.

Tri-Valley Transportation

The City, as a member of the Tri-Valley Transportation Council, collects a fee from developers to finance projects to reduce traffic-related impacts caused by future developments.

Mutual Benefits District

This fund receives revenue from groups of developers for specific capital improvement projects.

Park Capital Improvement Program

This fund accounts for the construction, reconstruction and maintenance of City parks as adopted in the annual parks capital improvement programs.

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City of Pleasanton
Combining Balance Sheet
Non-Major Capital Project Funds
June 30, 2007

	Miscellaneous Capital Improvement Program	Capital Improvements	Neighborhood Park Development	Street Capital Improvement Program	Traffic Impact	Street In-lieu
ASSETS						
Cash and investments	\$ 13,720,166	\$ 3,627,254	\$ 5,474,654	\$ 7,990,160	\$ 3,634,819	\$ -
Receivables:						
Accounts	-	-	-	276,534	-	500
Interest	141,744	50,245	67,041	94,075	46,810	-
Total assets	\$ 13,861,910	\$ 3,677,499	\$ 5,541,695	\$ 8,360,769	\$ 3,681,629	\$ 500
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 739,474	\$ -	\$ 1,516	\$ 12,610	\$ 12,301	\$ -
Deposits	-	-	-	-	-	-
Total liabilities	739,474	-	1,516	12,610	12,301	-
Fund Balances:						
Unreserved, designated for capital projects	13,122,436	3,677,499	5,540,179	8,348,159	3,669,328	500
Total fund balances	13,122,436	3,677,499	5,540,179	8,348,159	3,669,328	500
Total liabilities and fund balances	\$ 13,861,910	\$ 3,677,499	\$ 5,541,695	\$ 8,360,769	\$ 3,681,629	\$ 500

Vineyard Corridor	Landscape Maintenance N.P.I.D.	Traffic Impact Fund Bernal	Budgeted Developer Projects	Assessment District Construction	Tri-Valley Transportation	Mutual Benefits District	Park Capital Improvement Program	Total
\$ -	\$ 1,195,659	\$ 953,434	\$ 11,885,063	\$ 2,370,103	\$ 404,842	\$ 256,743	\$ 13,869,767	\$ 65,382,664
-	-	-	64,076	-	15,769	-	17,258	374,137
-	15,399	12,251	149,873	20,019	5,202	-	145,511	748,170
<u>\$ -</u>	<u>\$ 1,211,058</u>	<u>\$ 965,685</u>	<u>\$ 12,099,012</u>	<u>\$ 2,390,122</u>	<u>\$ 425,813</u>	<u>\$ 256,743</u>	<u>\$ 14,032,536</u>	<u>\$ 66,504,971</u>
\$ -	\$ 1,348	\$ -	\$ 573,869	\$ -	\$ -	\$ -	\$ 94,779	\$ 1,435,897
-	-	-	-	-	-	256,743	-	256,743
-	1,348	-	573,869	-	-	256,743	94,779	1,692,640
-	1,209,710	965,685	11,525,143	2,390,122	425,813	-	13,937,757	64,812,331
-	1,209,710	965,685	11,525,143	2,390,122	425,813	-	13,937,757	64,812,331
<u>\$ -</u>	<u>\$ 1,211,058</u>	<u>\$ 965,685</u>	<u>\$ 12,099,012</u>	<u>\$ 2,390,122</u>	<u>\$ 425,813</u>	<u>\$ 256,743</u>	<u>\$ 14,032,536</u>	<u>\$ 66,504,971</u>

City of Pleasanton
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Capital Project Funds
For the year ended June 30, 2007

	Miscellaneous Capital Improvement Program	Capital Improvements	Neighborhood Park Development	Street Capital Improvement Program	Traffic Impact	Street In-lieu
REVENUES:						
Use of money and property	\$ 614,724	\$ 195,702	\$ 255,481	\$ 372,247	\$ 181,333	\$ -
Intergovernmental	-	-	-	-	-	-
Development fees	-	522,808	633,522	99,750	1,018,646	-
Reimbursements	-	-	-	291,905	-	-
Contributions and donations	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-
Total revenues	614,724	718,510	889,003	763,902	1,199,979	-
EXPENDITURES:						
Current:						
Public Safety	5,501	-	-	-	-	-
Public works	-	-	-	-	-	-
Community activities	6,219	-	12,707	-	-	-
Capital outlay	5,955,957	12,369	40,389	904,569	147,001	-
Total expenditures	5,967,677	12,369	53,096	904,569	147,001	-
REVENUES OVER (UNDER) EXPENDITURES						
	(5,352,953)	706,141	835,907	(140,667)	1,052,978	-
OTHER FINANCING SOURCES (USES):						
Transfers in	8,508,937	-	325,000	1,007,500	-	-
Transfers out	(4,692,384)	(627,239)	-	-	-	-
Total other financing sources (uses)	3,816,553	(627,239)	325,000	1,007,500	-	-
Net change in fund balances	(1,536,400)	78,902	1,160,907	866,833	1,052,978	-
FUND BALANCES:						
Beginning of year	14,658,836	3,598,597	4,379,272	7,481,326	2,616,350	500
End of year	\$ 13,122,436	\$ 3,677,499	\$ 5,540,179	\$ 8,348,159	\$ 3,669,328	\$ 500

Vineyard Corridor	Landscape Maintenance N.P.I.D.	Traffic Impact Fund Bernal	Budgeted Developer Projects	Assessment District Construction	Tri-Valley Transportation	Mutual Benefits District	Park Capital Improvement Program	Total
\$ -	\$ 60,993	\$ 48,387	\$ 590,893	\$ 118,729	\$ 15,633	\$ -	\$ 583,153	\$ 3,037,275
-	-	-	-	-	-	-	100,000	100,000
-	-	-	-	-	176,207	-	-	2,450,933
-	-	-	178,316	-	-	-	-	470,221
-	-	-	691,778	-	-	-	-	691,778
-	-	-	-	-	-	-	-	-
-	60,993	48,387	1,460,987	118,729	191,840	-	683,153	6,750,207
-	-	-	-	-	-	-	-	5,501
-	-	-	-	8,920	-	-	-	8,920
-	34,005	-	-	-	-	-	-	52,931
-	-	1,666	1,412,145	-	5,000	-	2,385,110	10,864,206
-	34,005	1,666	1,412,145	8,920	5,000	-	2,385,110	10,931,558
-	26,988	46,721	48,842	109,809	186,840	-	(1,701,957)	(4,181,351)
-	-	-	-	-	-	-	4,912,613	14,754,050
(2,000,000)	-	-	-	-	-	-	(1,283,437)	(8,603,060)
(2,000,000)	-	-	-	-	-	-	3,629,176	6,150,990
(2,000,000)	26,988	46,721	48,842	109,809	186,840	-	1,927,219	1,969,639
2,000,000	1,182,722	918,964	11,476,301	2,280,313	238,973	-	12,010,538	62,842,692
\$ -	\$ 1,209,710	\$ 965,685	\$ 11,525,143	\$ 2,390,122	\$ 425,813	\$ -	\$ 13,937,757	\$ 64,812,331

City of Pleasanton
Budgetary Comparison Schedule
Miscellaneous Capital Improvement Program Capital Projects Fund
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 109,000	\$ 249,000	\$ 614,724	\$ 365,724
Intergovernmental	3,490	3,490	-	(3,490)
Reimbursements	-	-	-	-
Total revenues	<u>112,490</u>	<u>252,490</u>	<u>614,724</u>	<u>362,234</u>
EXPENDITURES:				
Current:				
Public Safety	-	-	5,501	(5,501)
Community activities	332,305	332,305	6,219	326,086
Capital outlay	19,430,296	18,247,217	5,955,957	12,291,260
Total expenditures	<u>19,762,601</u>	<u>18,579,522</u>	<u>5,967,677</u>	<u>12,611,845</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(19,650,111)</u>	<u>(18,327,032)</u>	<u>(5,352,953)</u>	<u>12,974,079</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	8,188,865	8,508,937	8,508,937	-
Transfers out	(3,203,756)	(4,706,982)	(4,692,384)	14,598
Total other financing sources (uses)	<u>4,985,109</u>	<u>3,801,955</u>	<u>3,816,553</u>	<u>14,598</u>
Net change in fund balances	<u>\$ (14,665,002)</u>	<u>\$ (14,525,077)</u>	<u>(1,536,400)</u>	<u>\$ 12,988,677</u>
FUND BALANCES:				
Beginning of year			<u>14,658,836</u>	
End of year			<u>\$ 13,122,436</u>	

City of Pleasanton
Budgetary Comparison Schedule
Capital Improvement Capital Projects Fund
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 44,000	\$ 80,000	\$ 195,702	\$ 115,702
Intergovernmental	-	-	-	-
Development fees	678,497	474,650	522,808	48,158
Other revenues	-	-	-	-
Total revenues	<u>722,497</u>	<u>554,650</u>	<u>718,510</u>	<u>163,860</u>
EXPENDITURES:				
Current:				
Community activities	(1,567)	(1,567)	-	(1,567)
Capital outlay	2,546,505	2,546,505	12,369	2,534,136
Total expenditures	<u>2,544,938</u>	<u>2,544,938</u>	<u>12,369</u>	<u>2,532,569</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(630,889)	(630,889)	(627,239)	3,650
Total other financing sources (uses)	<u>(630,889)</u>	<u>(630,889)</u>	<u>(627,239)</u>	<u>3,650</u>
Net change in fund balances	<u>\$ (2,453,330)</u>	<u>\$ (2,621,177)</u>	78,902	<u>\$ 2,700,079</u>
FUND BALANCES:				
Beginning of year			<u>3,598,597</u>	
End of year			<u>\$ 3,677,499</u>	

City of Pleasanton
Budgetary Comparison Schedule
Neighborhood Park Development Capital Projects Fund
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 90,000	\$ 120,000	\$ 255,481	\$ 135,481
Development fees	1,325,341	216,675	633,522	416,847
Total revenues	1,415,341	336,675	889,003	552,328
EXPENDITURES:				
Capital outlay	4,539,346	4,539,346	40,389	4,498,957
Total expenditures	4,539,346	4,539,346	40,389	4,498,957
REVENUES OVER (UNDER) EXPENDITURES	(3,124,005)	(4,202,671)	848,614	5,051,285
OTHER FINANCING SOURCES (USES):				
Transfers in	325,000	325,000	325,000	-
Total other financing sources (uses)	325,000	325,000	325,000	-
Net change in fund balances	\$ (2,799,005)	\$ (3,877,671)	1,173,614	\$ 5,051,285
FUND BALANCES:				
Beginning of year			4,379,272	
End of year			\$ 5,552,886	

City of Pleasanton
Budgetary Comparison Schedule
Street Capital Improvement Program Capital Projects Fund
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 20,000	\$ 150,000	\$ 372,247	\$ 222,247
Development fees	50,000	37,050	99,750	62,700
Contributions and donations	-	-	-	
Other revenues	-	146,728	291,905	145,177
Total revenues	<u>70,000</u>	<u>333,778</u>	<u>763,902</u>	<u>430,124</u>
EXPENDITURES:				
Current:				
Public works	(64,301)	(64,301)	-	(64,301)
Capital outlay	7,996,711	8,082,259	904,569	7,177,690
Total expenditures	<u>7,932,410</u>	<u>8,017,958</u>	<u>904,569</u>	<u>7,113,389</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(7,862,410)</u>	<u>(7,684,180)</u>	<u>(140,667)</u>	<u>7,543,513</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,211,250	1,007,500	1,007,500	-
Total other financing sources (uses)	<u>1,211,250</u>	<u>1,007,500</u>	<u>1,007,500</u>	<u>-</u>
Net change in fund balances	<u>\$ (6,651,160)</u>	<u>\$ (6,676,680)</u>	866,833	<u>\$ 7,543,513</u>
FUND BALANCES:				
Beginning of year			7,481,326	
End of year			<u>\$ 8,348,159</u>	

City of Pleasanton
Budgetary Comparison Schedule
Traffic Impact Capital Projects Fund
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 40,000	\$ 90,000	\$ 181,333	\$ 91,333
Development fees	2,262,220	938,948	1,018,646	79,698
Other	-	-	-	-
Total revenues	<u>2,302,220</u>	<u>1,028,948</u>	<u>1,199,979</u>	<u>171,031</u>
EXPENDITURES:				
Current:				
Capital outlay	1,140,143	1,140,143	147,001	993,142
Total expenditures	<u>1,140,143</u>	<u>1,140,143</u>	<u>147,001</u>	<u>993,142</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,162,077</u>	<u>(111,195)</u>	<u>1,052,978</u>	<u>1,164,173</u>
Net change in fund balances	<u>\$ 1,162,077</u>	<u>\$ (111,195)</u>	<u>1,052,978</u>	<u>\$ 1,164,173</u>
FUND BALANCES:				
Beginning of year			<u>2,616,350</u>	
End of year			<u>\$ 3,669,328</u>	

City of Pleasanton
Budgetary Comparison Schedule
Street In-Lieu Capital Projects Fund
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES:				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balances	\$ -	\$ -	-	\$ -
FUND BALANCES:				
Beginning of year			500	
End of year			\$ 500	

City of Pleasanton
Budgetary Comparison Schedule
Vineyard Corridor Capital Projects Fund
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
EXPENDITURES:				
Capital Outlay	\$ -	\$ -	\$ -	\$ -
Total expenditures	-	-	-	-
Net change in fund balances	\$ -	\$ -	-	\$ -
OTHER FINANCING SOURCES (USES):				
Transfers out	(2,000,000)	(2,000,000)	(2,000,000)	-
Total other financing sources (uses)	(2,000,000)	(2,000,000)	(2,000,000)	-
Net change in fund balances	\$ (2,000,000)	\$ (2,000,000)	(2,000,000)	\$ -
FUND BALANCES:				
Beginning of year			2,000,000	
End of year			\$ -	

City of Pleasanton
Budgetary Comparison Schedule
Landscape Maintenance N.P.I.D. Capital Projects Fund
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ 30,000	\$ 60,993	\$ 30,993
Total revenues	-	30,000	60,993	30,993
EXPENDITURES:				
Current:				
Community activities	1,143,307	1,179,207	34,005	1,145,202
Capital outlay	42,229	42,229	-	42,229
Total expenditures	1,185,536	1,221,436	34,005	1,187,431
Net change in fund balances	\$ (1,185,536)	\$ (1,191,436)	26,988	\$ 1,218,424
FUND BALANCES:				
Beginning of year			1,182,722	
End of year			\$ 1,209,710	

City of Pleasanton
Budgetary Comparison Schedule
Traffic Impact - Bernal Capital Projects Fund
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ 20,000	\$ 48,387	\$ 28,387
Development fees	-	-	-	-
Total revenues	-	20,000	48,387	28,387
EXPENDITURES:				
Capital Outlay	903,724	945,701	1,666	944,035
Total expenditures	903,724	945,701	1,666	944,035
Net change in fund balances	\$ (903,724)	\$ (925,701)	46,721	\$ 972,422
FUND BALANCES:				
Beginning of year			918,964	
End of year			\$ 965,685	

City of Pleasanton
Budgetary Comparison Schedule
Budgeted Developer Projects Capital Projects Fund
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ 243,000	\$ 590,893	\$ 347,893
Contributions and donations	450,719	629,653	691,778	62,125
Reimbursements	-	-	178,316	178,316
Total revenues	450,719	872,653	1,460,987	588,334
EXPENDITURES:				
Capital outlay	4,346,366	7,233,394	1,412,145	5,821,249
Total expenditures	4,346,366	7,233,394	1,412,145	5,821,249
OTHER FINANCING SOURCES (USES):				
Transfers in	-	1,983,068	-	(1,983,068)
Transfers out	(211,250)	(1,983,068)	-	1,983,068
Total other financing sources (uses)	(211,250)	-	-	-
Net change in fund balances	\$ (4,106,897)	\$ (6,360,741)	48,842	\$ 6,409,583
FUND BALANCES:				
Beginning of year			11,476,301	
End of year			\$ 11,525,143	

City of Pleasanton
Budgetary Comparison Schedule
Assessment District Construction Capital Projects Fund
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 5,000	\$ 71,040	\$ 118,729	\$ 47,689
Total revenues	5,000	71,040	118,729	47,689
EXPENDITURES:				
Current:				
Public works	1,433,722	1,433,880	8,920	1,424,960
Total expenditures	1,433,722	1,433,880	8,920	1,424,960
Net change in fund balances	\$ (1,428,722)	\$ (1,362,840)	109,809	\$ 1,472,649
FUND BALANCES:				
Beginning of year			2,280,313	
End of year			\$ 2,390,122	

City of Pleasanton
Budgetary Comparison Schedule
Tri-Valley Transportation Capital Projects Fund
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 40,000	\$ 10,000	\$ 15,633	\$ 5,633
Development fees	260,524	159,957	176,207	16,250
Total revenues	300,524	169,957	191,840	21,883
EXPENDITURES:				
Capital outlay	585,399	410,595	5,000	405,595
Total expenditures	585,399	410,595	5,000	405,595
Net change in fund balances	\$ (284,875)	\$ (240,638)	186,840	\$ 427,478
FUND BALANCES:				
Beginning of year			238,973	
End of year			\$ 425,813	

City of Pleasanton
Budgetary Comparison Schedule
Park Capital Improvement Projects Fund
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
REVENUES:				
Use of money and property	\$ 177,000	\$ 300,000	\$ 583,153	\$ 283,153
Intergovernmental	-	100,000	100,000	-
Contributions and donations	310,000	10,000	-	(10,000)
Total revenues	487,000	410,000	683,153	273,153
EXPENDITURES:				
Capital outlay	14,695,787	15,960,922	2,385,110	13,575,812
Total expenditures	14,695,787	15,960,922	2,385,110	13,575,812
REVENUES OVER (UNDER) EXPENDITURES	(14,208,787)	(15,550,922)	(1,701,957)	13,848,965
OTHER FINANCING SOURCES (USES):				
Transfers in	3,438,202	4,912,613	4,912,613	-
Transfers out	(1,274,365)	(1,283,437)	(1,283,437)	-
Total other financing sources (uses)	2,163,837	3,629,176	3,629,176	-
Net change in fund balances	\$ (12,044,950)	\$ (11,921,746)	1,927,219	\$ 13,848,965
FUND BALANCES:				
Beginning of year			12,010,538	
End of year			\$ 13,937,757	

NON-MAJOR ENTERPRISE FUNDS

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (including depreciation) of providing goods and services to the general public on a continuing basis be recovered through user charges.

Transit

This fund receives revenue from Metropolitan Transportation Commission grants, fares from passengers and Measure B sales tax. This fund provides transit service to seniors and the disabled in Pleasanton.

Storm Drain

The revenue source for this fund is the urban runoff annual assessment fee levied on property owners since 1992-93. The expenses relate to a federally mandated program to reduce pollutants to the bay.

Cemetery

This fund accounts for the operations of the Pleasanton Memorial Gardens Cemetery. The City currently contracts with Catholic Funeral & Cemetery Services for burial and monument services for previously purchased plots. The Cemetery Fund currently generates no revenue and is supported by an operating subsidy contribution from the General Fund.

Pleasanton Housing Authority

This fund represents the activities of the Pleasanton Housing Authority. The purpose is to provide and maintain the maximum number of housing units and services for low and moderate income families at rents they can afford.

City of Pleasanton
Combining Statement of Fund Net Assets
Non-Major Enterprise Funds
June 30, 2007

	Transit	Storm Drains	Cemetery	Pleasanton Housing Authority	Total
ASSETS					
Current assets:					
Cash and investments	\$ 2,565	\$ 1,074,632	\$ 72,859	\$ 247,771	\$ 1,397,827
Receivables (net):					
Accounts	-	4,393	-	-	4,393
Interest	-	14,683	797	-	15,480
Total current assets	2,565	1,093,708	73,656	247,771	1,417,700
Noncurrent assets:					
Capital assets:					
Nondepreciable	-	1,266,173	-	51,750	1,317,923
Depreciable	7,711	22,287,688	-	588,571	22,883,970
Total noncurrent assets	7,711	23,553,861	-	640,321	24,201,893
Total assets	10,276	24,647,569	73,656	888,092	25,619,593
LIABILITIES					
Current liabilities:					
Accounts payable	-	3,498	11,684	25,421	40,603
Payroll payable	-	8,919	-	-	8,919
Interest payable	-	-	-	14,045	14,045
Refundable deposits	-	-	-	12,840	12,840
Deferred revenue	2,012	-	-	65,481	67,493
Notes payable - current portion	-	-	-	45,086	45,086
Total current liabilities	2,012	12,417	11,684	162,873	188,986
Noncurrent liabilities:					
Notes payable	-	-	-	274,117	274,117
Total noncurrent liabilities	-	-	-	274,117	274,117
Total liabilities	2,012	12,417	11,684	436,990	463,103
NET ASSETS					
Invested in capital assets, net of related debt	7,711	23,553,861	-	321,118	23,882,690
Unrestricted	553	1,081,291	61,972	129,984	1,273,800
Total net assets	\$ 8,264	\$ 24,635,152	\$ 61,972	\$ 451,102	\$ 25,156,490

City of Pleasanton
Combining Statement of Revenues, Expenses and Change in Fund Net Assets
Non-Major Enterprise Funds
For the year ended June 30, 2007

	Transit	Storm Drains	Cemetery	Pleasanton Housing Authority	Total
OPERATING REVENUES:					
Charges for services	\$ 39,284	\$ 502,705	\$ -	\$ 142,447	\$ 684,436
Miscellaneous	152,832	141,168	60,778	371,292	726,070
Total operating revenues	192,116	643,873	60,778	513,739	1,410,506
OPERATING EXPENSES:					
Personnel services	457,640	442,479	-	122,293	1,022,412
Repairs and maintenance	1,559	20,822	19,228	56,223	97,832
Materials, supplies, and services	36,053	404,255	71,656	108,874	620,838
Depreciation	13,508	841,094	-	88,138	942,740
Total operating expenses	508,760	1,708,650	90,884	375,528	2,683,822
OPERATING INCOME (LOSS)	(316,644)	(1,064,777)	(30,106)	138,211	(1,273,316)
NONOPERATING REVENUES (EXPENSES):					
Interest income	-	58,393	2,078	6,418	66,889
Interest expense	-	-	-	(21,998)	(21,998)
Total nonoperating revenues (expenses)	-	58,393	2,078	(15,580)	44,891
Net income (loss) before contributions and transfers	(316,644)	(1,006,384)	(28,028)	122,631	(1,228,425)
Capital contributions	-	2,407,556	-	-	2,407,556
Transfers in	303,135	100,000	90,000	-	493,135
Change in net assets	(13,509)	1,501,172	61,972	122,631	1,672,266
NET ASSETS:					
Beginning of year	21,773	23,133,980	-	328,471	23,484,224
End of year	\$ 8,264	\$ 24,635,152	\$ 61,972	\$ 451,102	\$ 25,156,490

City of Pleasanton
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the year ended June 30, 2007

	Transit	Storm Drain	Cemetery	Pleasanton Housing Authority	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash receipt from customers	\$ 37,881	\$ 502,301	\$ -	\$ 59,132	\$ 599,314
Cash payment to suppliers for goods and services	(37,612)	(426,382)	(79,200)	(154,601)	(697,795)
Cash payment to employees for services	(457,640)	(443,176)	-	(122,293)	(1,023,109)
Miscellaneous revenue	152,832	141,168	60,778	371,292	726,070
Net cash provided (used) by operating activities	(304,539)	(226,089)	(18,422)	153,530	(395,520)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfer in	303,135	100,000	90,000	-	493,135
Net cash provided (used) by noncapital financing activities	303,135	100,000	90,000	-	493,135
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Principal payments on long-term debt	-	-	-	(42,294)	(42,294)
Interest payment	-	-	-	(23,859)	(23,859)
Capital assets acquisition	-	(23,686)	-	(175,610)	(199,296)
Net cash provided (used) by capital and related financing activities	-	(23,686)	-	(241,763)	(265,449)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest received	-	57,124	1,281	6,418	64,823
Net cash provided (used) by investing activities	-	57,124	1,281	6,418	64,823
Net increase (decrease) in cash and cash equivalents	(1,404)	(92,651)	72,859	(81,815)	(103,011)
CASH AND CASH EQUIVALENTS:					
Beginning of year	3,969	1,167,283	-	329,586	1,500,838
End of year	\$ 2,565	\$ 1,074,632	\$ 72,859	\$ 247,771	\$ 1,397,827
CASH FLOWS FROM OPERATING ACTIVITIES:					
Operating income (loss)	\$ (316,644)	\$ (1,064,777)	\$ (30,106)	\$ 138,211	\$ (1,273,316)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	13,508	841,094	-	88,138	942,740
Decrease (increase) in:					
Accounts receivable	-	(404)	-	-	(404)
Increase (decrease) in:					
Accounts payable	-	(1,305)	11,684	10,496	20,875
Accrued payroll	-	(697)	-	-	(697)
Deferred revenue	(1,403)	-	-	(85,220)	(86,623)
Refundable deposits	-	-	-	1,905	1,905
Net cash provided (used) by operating activities	\$ (304,539)	\$ (226,089)	\$ (18,422)	\$ 153,530	\$ (395,520)
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital assets contributed by developers	\$ -	\$ 2,407,556	\$ -	\$ -	\$ 2,407,556
Total noncash capital and related financing activities	\$ -	\$ 2,407,556	\$ -	\$ -	\$ 2,407,556

INTERNAL SERVICE FUNDS

Internal Service Funds account for the financing of goods or services provided by a department for other departments on a cost-reimbursement basis.

Employee Benefits

This fund accounts for all employee benefit costs including accrued unused employee vacation leave, employees' retirement, medical, dental, life insurance and long-term disability costs. Revenues come from benefit accrual charges placed on all City operating programs. This fund also includes the accounting for workers compensation benefits.

Public Art Acquisition and Maintenance

This fund is to provide a source of public funding for the design, selection, acquisition, purchase, renovation, conservation and installation of City-owned public art.

Replacement/Renovation

The replacement fund charges various user departments based on usage of equipment, vehicles, and facilities and uses the money to replace or renovate these items.

Livermore/Pleasanton Fire Retirees Insurance Reserve

This fund is establishing reserves for future medical insurance obligations for retirees from the Livermore/Pleasanton fire department.

Self Insurance Retention

This fund pays insurance premiums and claims that fall under the City's various limits.

Retirees Insurance Reserve

This fund is establishing reserves for future medical insurance obligations for retirees.

City of Pleasanton
Combining Balance Sheet
Internal Services Funds
June 30, 2007

	Employee Benefits	Public Art Acquisition and Maintenance	Replacement / Renovation	Livermore / Pleasanton Fire Retirees Insurance Reserve
ASSETS				
Current assets:				
Cash and investments	\$ 12,030,529	\$ 324,617	\$ 24,464,844	\$ 10,739,623
Accounts receivable	1,653	-	26,578	-
Interest receivable	142,783	3,968	314,382	136,732
Total current assets	<u>12,174,965</u>	<u>328,585</u>	<u>24,805,804</u>	<u>10,876,355</u>
Noncurrent assets:				
Capital assets:				
Nondepreciable	-	-	735,104	-
Depreciable	-	-	8,507,468	-
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>9,242,572</u>	<u>-</u>
Total assets	<u>12,174,965</u>	<u>328,585</u>	<u>34,048,376</u>	<u>10,876,355</u>
LIABILITIES				
Current liabilities:				
Accounts payable	765,075	-	581,449	3,310
Payroll payable	5,322	-	-	-
Accrued compensated absences	761,713	-	-	-
Claims payable	858,488	-	-	-
Total current liabilities	<u>2,390,598</u>	<u>-</u>	<u>581,449</u>	<u>3,310</u>
Noncurrent liabilities:				
Accrued compensated absences	3,701,012	-	-	-
Claims payable	1,197,804	-	-	-
Total noncurrent liabilities	<u>4,898,816</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>7,289,414</u>	<u>-</u>	<u>581,449</u>	<u>3,310</u>
NET ASSETS				
Investment in capital assets, net of related debt	-	-	9,242,572	-
Unrestricted	4,885,551	328,585	24,224,355	10,873,045
Total net assets	<u>\$ 4,885,551</u>	<u>\$ 328,585</u>	<u>\$ 33,466,927</u>	<u>\$ 10,873,045</u>

Self Insurance Retention	Retiree Insurance Reserve	Total
\$ 7,930,341	\$ 25,361,436	\$ 80,851,390
-	-	28,231
101,897	318,518	1,018,280
<u>8,032,238</u>	<u>25,679,954</u>	<u>81,897,901</u>
-	-	735,104
-	-	8,507,468
-	-	9,242,572
<u>8,032,238</u>	<u>25,679,954</u>	<u>91,140,473</u>
6,903	10,821	1,367,558
-	-	5,322
-	-	761,713
391,420	-	1,249,908
<u>398,323</u>	<u>10,821</u>	<u>3,384,501</u>
-	-	3,701,012
-	-	1,197,804
-	-	4,898,816
<u>398,323</u>	<u>10,821</u>	<u>8,283,317</u>
-	-	9,242,572
7,633,915	25,669,133	73,614,584
<u>\$ 7,633,915</u>	<u>\$ 25,669,133</u>	<u>\$ 82,857,156</u>

City of Pleasanton
Combining Statement of Revenues, Expenses and Changes in Net Assets
Internal Services Funds
For the year ended June 30, 2007

	Employee Benefits	Public Art Acquisition and Maintenance	Replacement / Renovation	Livermore / Pleasanton Fire Retirees Insurance Reserve
OPERATING REVENUES:				
Charges for services	\$ 23,902,996	\$ 50,000	\$ 5,841,506	\$ 1,400,000
Miscellaneous	12,404	52,500	53,377	-
Total operating revenues	23,915,400	102,500	5,894,883	1,400,000
OPERATING EXPENSES:				
Personnel services	21,719,681	-	-	393,048
Materials, supplies, and services	987,719	2,450	2,571,718	13,662
Depreciation and amortization	-	-	1,435,290	-
Total operating expenses	22,707,400	2,450	4,007,008	406,710
OPERATING INCOME (LOSS)	1,208,000	100,050	1,887,875	993,290
NONOPERATING REVENUES/EXPENSES:				
Interest income	529,030	14,433	1,220,415	530,447
Gain (loss) from disposal of fixed assets	-	-	26,669	-
Total nonoperating revenues (expenses)	529,030	14,433	1,247,084	530,447
Income before Transfers in (out)	1,737,030	114,483	3,134,959	1,523,737
Transfers in	-	-	21,315	-
Transfers out	-	-	(311,000)	-
Change in net assets	1,737,030	114,483	2,845,274	1,523,737
NET ASSETS:				
Beginning of year	3,148,521	214,102	30,621,653	9,349,308
End of year	\$ 4,885,551	\$ 328,585	\$ 33,466,927	\$ 10,873,045

Self Insurance Retention	Retirees Insurance Reserve	Total
\$ 1,000,000	\$ 3,225,000	\$ 35,419,502
104,617	-	222,898
<u>1,104,617</u>	<u>3,225,000</u>	<u>35,642,400</u>
-	751,363	22,864,092
3,150,266	26,927	6,752,742
-	-	1,435,290
<u>3,150,266</u>	<u>778,290</u>	<u>31,052,124</u>
<u>(2,045,649)</u>	<u>2,446,710</u>	<u>4,590,276</u>
433,030	1,237,309	3,964,664
-	-	26,669
<u>433,030</u>	<u>1,237,309</u>	<u>3,991,333</u>
(1,612,619)	3,684,019	8,581,609
-	-	21,315
-	-	(311,000)
<u>(1,612,619)</u>	<u>3,684,019</u>	<u>8,291,924</u>
9,246,534	21,985,114	74,565,232
<u>\$ 7,633,915</u>	<u>\$ 25,669,133</u>	<u>\$ 82,857,156</u>

City of Pleasanton
Combining Statement of Cash Flows
Internal Services Funds
For the year ended June 30, 2007

	Employee Benefits	Public Art Acquisition and Maintenance	Replacement / Renovation	Livermore / Pleasanton Fire Retirees Insurance Reserve
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash receipt from customer/other funds	\$ 23,901,343	\$ 50,000	\$ 5,814,928	\$ 1,400,000
Cash payment to suppliers for goods and services	(1,050,992)	(2,450)	(2,081,084)	(11,647)
Cash payment to employees for services	(21,494,985)	-	-	(393,048)
Miscellaneous revenue	12,404	52,500	53,377	-
Net cash provided (used) by operating activities	1,367,770	100,050	3,787,221	995,305
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Transfer in	-	-	21,315	-
Transfer out	-	-	(311,000)	-
Capital assets acquisition	-	-	(1,816,641)	-
Proceed from sale of assets	-	-	54,853	-
Net cash provided (used) by capital and related financing activities	-	-	(2,051,473)	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	492,154	12,804	1,145,101	493,236
Net cash provided (used) by investing activities	492,154	12,804	1,145,101	493,236
Net increase (decrease) in cash and cash equivalents	1,859,924	112,854	2,880,849	1,488,541
CASH AND CASH EQUIVALENTS:				
Beginning of year	10,170,605	211,763	21,583,995	9,251,082
End of year	\$ 12,030,529	\$ 324,617	\$ 24,464,844	\$ 10,739,623
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	\$ 1,208,000	\$ 100,050	\$ 1,887,875	\$ 993,290
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	-	-	1,435,290	-
Decrease (increase) in:				
Accounts receivable	(1,653)	-	(26,578)	-
Increase (decrease) in:				
Accounts payable	174,716	-	490,634	2,015
Payroll payable	(51,744)	-	-	-
Accrued compensated absences	276,440	-	-	-
Claims payable	(237,989)	-	-	-
Net cash provided (used) by operating activities	\$ 1,367,770	\$ 100,050	\$ 3,787,221	\$ 995,305

Self Insurance Retention	Retirees Insurance Reserve	Total
\$ 1,000,344	\$ 3,225,000	\$ 35,391,615
(3,221,729)	(28,004)	(6,395,906)
-	(751,363)	(22,639,396)
104,617	-	222,898
<u>(2,116,768)</u>	<u>2,445,633</u>	<u>6,579,211</u>
-	-	21,315
-	-	(311,000)
-	-	(1,816,641)
-	-	54,853
-	-	<u>(2,051,473)</u>
426,607	1,153,277	3,723,179
426,607	1,153,277	3,723,179
(1,690,161)	3,598,910	8,250,917
9,620,502	21,762,526	72,600,473
<u>\$ 7,930,341</u>	<u>\$ 25,361,436</u>	<u>\$ 80,851,390</u>
\$ (2,045,649)	\$ 2,446,710	\$ 4,590,276
-	-	1,435,290
344	-	(27,887)
(22,650)	(1,077)	643,638
-	-	(51,744)
-	-	276,440
(48,813)	-	(286,802)
<u>\$ (2,116,768)</u>	<u>\$ 2,445,633</u>	<u>\$ 6,579,211</u>

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AGENCY FUNDS

Agency Funds account for assets held by the City as agent for individuals, private organizations, other governmental units, or other funds. Assets equal liabilities and the measurement of operations is not a focus.

Employee Insurance Agency

This fund collects money from employees and former employees and pays their share of insurance bills. Former employees have the legal right to pay their share of insurance bills for a specified period of time.

Downtown Merchant Improvements

This fund collects annual assessments from downtown businesses and passes it on to the Pleasanton Downtown Association.

Asset Forfeiture Agency

This fund collects the assets forfeited as a result of investigations of criminal offenses, generally narcotics related. The money is passed on to various other government agencies.

Miscellaneous Agencies and Trusts

This fund collects various fees and contributions from developers and others and passes the money on to various government agencies, other people or organizations.

Cash Bonds Agency

This fund collects cash bond deposits from developers and returns the money when their project is completed.

1915 Act Bond Interest and Redemption Agency

This fund collects assessments placed on property owners who reside in certain assessment districts. This money is passed on to a trustee that pays holders of the assessment bonds.

Pleasanton Joint Powers Financing Authority

The Authority was established on June 29, 1993 for the purpose of providing assistance to the City and the Housing Authority of the City in refinancing public capital improvements.

City of Pleasanton
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2007

	Employee Insurance Agency	Downtown Merchant Improvements	Asset Forfeiture	Miscellaneous Agencies and Trusts	Cash Bonds
ASSETS					
Cash and investments	\$ 34,652	\$ 34,312	\$ 20,122	\$ 453,432	\$ 1,149,898
Receivables:					
Accounts	30,224	-	-	230,531	-
Interest	-	548	-	-	-
Restricted cash and investments	-	-	-	-	-
Notes receivable	-	-	-	-	-
Total assets	\$ 64,876	\$ 34,860	\$ 20,122	\$ 683,963	\$ 1,149,898
LIABILITIES					
Accounts payable	\$ 35,977	\$ -	\$ -	\$ 627,540	\$ -
Due to Bondholders	28,899	-	-	-	-
Deposits	-	34,860	20,122	56,423	1,149,898
Total liabilities	\$ 64,876	\$ 34,860	\$ 20,122	\$ 683,963	\$ 1,149,898

1915 Act Bond Interest and Redemption	Pleasanton Joint Powers Financing Authority	Total
\$ 16,508,859	\$ -	\$ 18,201,275
48,627	-	309,382
1,205,979	-	1,206,527
-	3,833,925	3,833,925
1,122,434	-	1,122,434
<u>\$ 18,885,899</u>	<u>\$ 3,833,925</u>	<u>\$ 24,673,543</u>
\$ -	\$ -	\$ 663,517
18,885,899	3,833,925	22,748,723
-	-	1,261,303
<u>\$ 18,885,899</u>	<u>\$ 3,833,925</u>	<u>\$ 24,673,543</u>

City of Pleasanton
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2007

	Balance July 1, 2006	Additions	Deductions	Balance June 30, 2007
<u>Employee Insurance Agency</u>				
Assets:				
Cash and investments	\$ 40,236	\$ 753,036	\$ (758,621)	\$ 34,651
Accounts receivable	45,934	30,225	(45,934)	30,225
Total assets	\$ 86,170	\$ 783,261	\$ (804,555)	\$ 64,876
Liabilities:				
Accounts payable	\$ 86,170	\$ 64,876	\$ (86,170)	\$ 64,876
Total liabilities	\$ 86,170	\$ 64,876	\$ (86,170)	\$ 64,876
<u>Downtown Merchant Association</u>				
Assets:				
Cash and investments	\$ 33,024	\$ 63,332	\$ (62,044)	\$ 34,312
Interest receivable	445	548	(445)	548
Total assets	\$ 33,469	\$ 63,880	\$ (62,489)	\$ 34,860
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deposits	33,469	34,860	(33,469)	34,860
Total liabilities	\$ 33,469	\$ 34,860	\$ (33,469)	\$ 34,860
<u>Asset Forfeiture</u>				
Assets:				
Cash and investments	\$ 26,115	\$ 14,793	\$ (20,786)	\$ 20,122
Total assets	\$ 26,115	\$ 14,793	\$ (20,786)	\$ 20,122
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deposits	26,115	14,793	(20,786)	20,122
Total liabilities	\$ 26,115	\$ 14,793	\$ (20,786)	\$ 20,122
<u>Miscellaneous Agencies and Trust</u>				
Assets:				
Cash and investments	\$ 740,010	\$ 8,547,581	\$ (8,834,159)	\$ 453,432
Accounts receivable	208,083	230,531	(208,083)	230,531
Total assets	\$ 948,093	\$ 8,778,112	\$ (9,042,242)	\$ 683,963
Liabilities:				
Accounts payable	\$ 890,670	\$ 8,547,581	\$ (8,810,711)	\$ 627,540
Deposits	57,423	56,423	(57,423)	56,423
Total liabilities	\$ 948,093	\$ 8,604,004	\$ (8,868,134)	\$ 683,963

(Continued)

City of Pleasanton
Combining Statement of Changes in Assets and Liabilities
Agency Funds, Continued
For the year ended June 30, 2007

	Balance July 1, 2005	Additions	Deductions	Balance June 30, 2006
<u>Cash Bonds</u>				
Assets:				
Cash and investments	\$ 1,113,952	\$ 127,200	\$ (91,254)	\$ 1,149,898
Total assets	\$ 1,113,952	\$ 127,200	\$ (91,254)	\$ 1,149,898
Liabilities:				
Deposits	\$ 1,113,952	\$ 127,200	\$ (91,254)	\$ 1,149,898
Total liabilities	\$ 1,113,952	\$ 127,200	\$ (91,254)	\$ 1,149,898
<u>1915 Act Bond</u>				
<u>Interest and Redemption</u>				
Assets:				
Cash and investments	\$ 15,474,201	\$ 14,128,321	\$ (13,093,663)	\$ 16,508,859
Receivables:				
Accounts	92,350	48,627	(92,350)	48,627
Interest	1,668,118	226,492	(688,631)	1,205,979
Notes	1,683,867	-	(561,434)	1,122,433
Total assets	\$ 18,918,536	\$ 14,403,440	\$ (14,436,078)	\$ 18,885,899
Liabilities:				
Due to Bondholders	\$ 18,918,536	\$ 14,064,247	\$ (14,096,884)	\$ 18,885,899
Total liabilities	\$ 18,918,536	\$ 14,064,247	\$ (14,096,884)	\$ 18,885,899
<u>Pleasanton Joint Powers</u>				
<u>Financing Authority</u>				
Assets:				
Restricted cash and investments	\$ 3,852,217	\$ 15,636,151	\$ (15,654,443)	\$ 3,833,925
Total assets	\$ 3,852,217	\$ 15,636,151	\$ (15,654,443)	\$ 3,833,925
Liabilities:				
Due to bondholders	\$ 3,852,217	\$ 15,636,151	\$ (15,654,443)	\$ 3,833,925
Total liabilities	\$ 3,852,217	\$ 15,636,151	\$ (15,654,443)	\$ 3,833,925
<u>Total of All Agency Funds</u>				
Assets:				
Cash and investments	\$ 17,427,538	\$ 23,634,263	\$ (22,860,527)	\$ 18,201,274
Receivables:				
Accounts	346,367	309,383	(346,367)	309,383
Interest	1,668,563	227,040	(689,076)	1,206,527
Restricted cash and investments	3,852,217	15,636,151	(15,654,443)	3,833,925
Notes receivables	1,683,867	-	(561,434)	1,122,433
Total assets	\$ 24,978,552	\$ 39,806,837	\$ (40,111,846)	\$ 24,673,543
Liabilities:				
Accounts payable	\$ 976,840	\$ 8,612,457	\$ (8,896,881)	\$ 692,416
Due to bondholders	22,770,753	29,700,398	(29,751,327)	22,719,824
Deposits	1,230,959	233,276	(202,932)	1,261,303
Total liabilities	\$ 24,978,552	\$ 38,546,131	\$ (38,851,140)	\$ 24,673,543

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STATISTICAL SECTION

This part of the City of Pleasanton's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information says about the City's overall financial health.

Contents	Page
<i>Financial Trends Information</i>	168
This information is intended to assist users in understanding and assessing how a government's financial position has changed over time.	
<i>Revenue Capacity Information</i>	174
This information is intended to assist users in understanding and assessing factors affecting a government's ability to generate its own revenue.	
<i>Debt Capacity Information</i>	182
This information is intended to assist users in understanding and assessing a government's debt burden and its ability to issue additional debt.	
<i>Demographic and Economic Information</i>	187
This information is intended to assist users in understanding socioeconomic environment with which a government operates and provide information that facilitates comparison of financial statement information over time and among governments.	
<i>Operating Information</i>	191
This information is intended to provide information about operations and resources to assist readers in using financial statement information to understand and assess a government's economic condition	

Financial Trends Information

Net Assets by Component – Last Six Fiscal Years

Changes in Net Assets – Last Six Fiscal Years

Fund Balances – Last Six Fiscal Years

Changes in Fund Balances – Last Six Fiscal Years

City of Pleasanton
Net Assets by Component
Last Six Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30					
	2002	2003	2004	2005	2006	2007
Governmental Activities						
Invested in capital assets, net related debt	\$ 219,488,950	\$ 334,851,123	\$ 372,119,378	\$ 380,390,639	\$ 376,469,051	\$ 378,710,205
Restricted	46,671,181	46,521,689	44,199,190	47,141,404	47,775,291	50,280,585
Unrestricted	82,109,173	98,162,932	105,968,078	117,261,111	132,091,752	141,297,679
Total government activities net assets	\$ 348,269,304	\$ 479,535,744	\$ 522,286,646	\$ 544,793,154	\$ 556,336,094	\$ 570,288,469
Business-Type Activities						
Invested in capital assets, net of related debt	\$ 135,313,592	\$ 152,081,347	\$ 164,784,413	\$ 175,189,829	\$ 183,167,289	\$ 204,187,116
Restricted	1,215,473	9,972,160	1,123,828	1,243,708	814,068	686,964
Unrestricted	48,753,140	58,774,393	58,750,236	54,511,151	58,875,845	56,449,170
Total business-type activities net assets	\$ 185,282,205	\$ 220,827,900	\$ 224,658,477	\$ 230,944,688	\$ 242,857,202	\$ 261,323,250
Primary Government						
Invested in capital assets, net of related debt	\$ 354,802,542	\$ 486,932,470	\$ 536,903,791	\$ 555,580,468	\$ 559,636,340	\$ 582,897,321
Restricted	47,886,654	56,493,849	45,323,018	48,385,112	48,589,359	50,967,549
Unrestricted	130,862,313	156,937,325	164,718,314	171,772,262	190,967,597	197,746,849
Total primary government activities net assets	\$ 533,551,509	\$ 700,363,644	\$ 746,945,123	\$ 775,737,842	\$ 799,193,296	\$ 831,611,719

City of Pleasanton
Changes in Net Assets
Last Six Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30					
	2002	2003	2004	2005	2006	2007
Expenses						
Governmental Activities:						
General Government	\$ 6,363,133	\$ 9,343,400	\$ 8,892,418	\$ 8,844,298	\$ 10,142,529	\$ 11,598,637
Public Safety	32,534,525	32,618,740	34,392,664	39,354,201	43,286,424	45,396,698
Planning & Community Development	3,229,969	3,179,100	4,927,532	3,954,646	7,376,026	5,527,218
Public Works	25,340,545	20,549,745	26,402,176	20,522,902	26,053,044	25,333,753
Community Activities	14,558,585	13,468,360	15,963,151	16,483,828	17,783,181	20,576,380
Interest on Long-Term Debt	684,063	838,032	1,444,009	1,445,994	1,276,016	1,232,732
Total Government Activities:	<u>\$ 82,710,820</u>	<u>\$ 79,997,377</u>	<u>\$ 92,021,950</u>	<u>\$ 90,605,869</u>	<u>\$ 105,917,220</u>	<u>\$ 109,665,418</u>
Business-Type Activities:						
Water	\$ 14,530,381	\$ 14,370,149	\$ 15,056,432	\$ 13,057,857	\$ 15,197,789	\$ 16,863,032
Sewer	12,584,936	11,035,016	11,279,697	11,558,840	11,457,129	12,906,227
Golf	44,620	44,621	44,620	346,627	2,810,105	5,904,610
Transit	385,377	452,472	537,470	475,477	518,813	508,760
Storm Drain	1,171,779	1,120,130	1,280,061	1,215,224	1,288,566	1,529,192
Cemetery						90,274
Pleasanton Housing Authority	252,932	268,762	230,384	290,944	343,746	397,526
Total Business-Type Activities	<u>28,970,025</u>	<u>27,291,150</u>	<u>28,428,664</u>	<u>26,944,969</u>	<u>31,616,148</u>	<u>38,199,621</u>
Total Primary Government Expense	<u>\$ 111,680,845</u>	<u>\$ 107,288,527</u>	<u>\$ 120,450,614</u>	<u>\$ 117,550,838</u>	<u>\$ 137,533,368</u>	<u>\$ 147,865,039</u>
Program Revenues						
Governmental Activities:						
Charges for Services						
General Government	\$ 537,118	\$ 250,970	\$ 200,296	\$ 535,485	\$ 488,237	\$ 540,607
Public Safety	12,330,298	11,243,548	11,667,396	12,788,675	13,949,960	14,495,113
Development	637,603	575,923	740,202	1,549,543	3,194,674	599,131
Public Works	3,937,931	3,280,013	4,112,858	3,602,716	3,634,892	3,216,986
Community Activities	2,614,504	2,906,387	3,313,130	3,300,615	3,425,758	3,899,454
Operating Grants & Contributions	3,605,904	4,080,731	4,652,966	4,674,945	5,695,141	3,641,293
Capital Grants & Contributions	2,961,801	145,189,089	48,129,129	14,099,033	12,350,368	10,113,847
Total Government Activities:	<u>\$ 26,625,159</u>	<u>\$ 167,526,661</u>	<u>\$ 72,815,977</u>	<u>\$ 40,551,012</u>	<u>\$ 42,739,030</u>	<u>\$ 36,506,431</u>
Business-Type Activities:						
Charges for Services						
Water	\$ 15,774,127	\$ 15,044,768	\$ 15,830,842	\$ 14,723,422	\$ 15,060,402	\$ 15,964,135
Sewer	10,748,529	10,882,458	10,970,513	10,910,064	10,947,581	13,489,859
Golf	81,165	-	3,700	-	2,671,290	4,564,478
Transit	31,601	37,001	34,362	43,077	38,740	39,284
Storm Drain	475,591	474,926	380,271	223,505	353,976	363,353
Cemetery	-	-	-	-	-	-
Pleasanton Housing Authority	167,950	257,404	166,371	149,706	231,478	142,447
Operating Grants & Contributions	102,075	-	-	-	-	-
Capital Grants & Contributions	2,428,979	10,691,928	2,955,665	4,494,296	7,559,908	12,107,855
Total Business-Type Activities	<u>29,810,017</u>	<u>37,388,485</u>	<u>30,341,724</u>	<u>30,544,070</u>	<u>36,863,375</u>	<u>46,671,411</u>
Total Primary Government Revenues	<u>\$ 56,435,176</u>	<u>\$ 204,915,146</u>	<u>\$ 103,157,701</u>	<u>\$ 71,095,082</u>	<u>\$ 79,602,405</u>	<u>\$ 83,177,842</u>

City of Pleasanton
Changes in Net Assets, Continued
Last Six Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30					
	2002	2003	2004	2005	2006	2007
Net (Expenses)/Revenue:						
Governmental Activities:	\$ (56,085,661)	\$ 87,529,284	\$ (19,205,973)	\$ (50,054,857)	\$ (63,178,190)	\$ (73,158,987)
Business-Type Activities:	839,992	10,097,335	1,913,060	3,599,101	5,247,227	8,471,790
Total Net (Expense)/Revenue	<u>\$ (55,245,669)</u>	<u>\$ 97,626,619</u>	<u>\$ (17,292,913)</u>	<u>\$ (46,455,756)</u>	<u>\$ (57,930,963)</u>	<u>\$ (64,687,197)</u>
General Revenues & Other Changes in Net Assets						
Governmental Activities:						
Taxes						
Property taxes	\$ 29,370,379	\$ 31,203,614	\$ 33,310,777	\$ 36,670,867	\$ 41,257,246	\$ 45,341,149
Other taxes	6,358,282	6,201,315	6,341,691	7,080,946	7,484,133	7,534,768
Sales tax	17,276,332	18,385,104	18,555,644	19,885,692	21,029,378	21,060,115
Motor vehicle in lieu	3,528,024	3,838,559	2,916,339	714,960	1,538,398	403,401
Franchise fees	1,740,281	1,489,968	1,403,790	1,465,139	1,578,689	1,727,617
Infrastructure maintenance contribution	2,356,100	-	-	-	-	-
Unrestricted investment earnings	5,136,101	5,415,548	1,553,297	4,467,829	4,230,879	9,654,142
Miscellaneous	1,177,429	506,337	1,673,068	1,091,220	641,283	792,476
Interfund charges	-	742,905	170,367	1,413,457	1,322,631	-
Gain/(loss) on sale of capital assets	-	(161,883)	(3,592,355)	-	-	-
Transfers	(3,483,257)	(22,962,552)	(375,744)	(1,126,044)	(4,361,507)	597,694
Total Government Activities:	<u>\$ 63,459,671</u>	<u>\$ 44,658,915</u>	<u>\$ 61,956,874</u>	<u>\$ 71,664,066</u>	<u>\$ 74,721,130</u>	<u>\$ 87,111,362</u>
Business-Type Activities:						
Unrestricted investment earnings	\$ 1,627,169	\$ 1,592,843	\$ 400,146	\$ 1,733,994	\$ 1,109,607	\$ 2,181,462
Equity interest in gain from joint venture	301,075	1,845,928	947,195	-	1,918,111	-
Miscellaneous	161	-	371,475	1,477,956	598,693	802,445
Interfund charges	-	(742,905)	(170,367)	(1,413,457)	(1,322,631)	-
Gain/(loss) on sale of capital assets	-	(210,059)	(6,676)	-	-	-
Transfers	3,483,257	22,962,552	375,744	1,126,044	4,361,507	(597,694)
Total Business-Type Activities	<u>5,411,662</u>	<u>25,448,359</u>	<u>1,917,517</u>	<u>2,924,537</u>	<u>6,665,287</u>	<u>2,386,213</u>
Total Primary Government	<u>\$ 68,871,333</u>	<u>\$ 70,107,274</u>	<u>\$ 63,874,391</u>	<u>\$ 74,588,603</u>	<u>\$ 81,386,417</u>	<u>\$ 89,497,575</u>
Change in Net Assets						
Governmental Activities:	\$ 7,374,010	\$ 132,188,198	\$ 42,750,901	\$ 21,609,209	\$ 11,542,940	\$ 13,952,375
Business-Type Activities:	6,251,654	35,545,695	3,830,577	6,523,638	11,912,514	10,858,003
Total Primary Government	<u>\$ 13,625,664</u>	<u>\$ 167,733,893</u>	<u>\$ 46,581,478</u>	<u>\$ 28,132,847</u>	<u>\$ 23,455,454</u>	<u>\$ 24,810,378</u>

City of Pleasanton
Fund Balances of Government Funds
Last Six Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30					
	2002	2003	2004	2005	2006	2007
General Fund						
Reserved	\$ 1,158,165	\$ 635,649	\$ 392,835	\$ 612,602	\$ 605,264	\$ 1,360,798
Unreserved	15,840,457	15,097,428	18,562,212	22,010,563	23,915,653	24,713,932
Total General Fund	<u>\$ 16,998,622</u>	<u>\$ 15,733,077</u>	<u>\$ 18,955,047</u>	<u>\$ 22,623,165</u>	<u>\$ 24,520,917</u>	<u>\$ 26,074,730</u>
All Other Governmental Funds						
Reserved	\$ 2,465,319	\$ 4,173,006	\$ 1,928,604	\$ 421,035	\$ 411,095	\$ 412,354
Unreserved, reported in :						
Special Revenue Funds	20,112,048	15,530,639	20,702,621	22,675,830	21,886,907	20,877,745
Capital Projects Funds	45,769,745	58,888,011	53,976,167	57,038,753	62,842,692	64,812,331
Total All Other Governments Funds	<u>\$ 68,347,112</u>	<u>\$ 78,591,656</u>	<u>\$ 76,607,392</u>	<u>\$ 80,135,618</u>	<u>\$ 85,140,694</u>	<u>\$ 86,102,430</u>

City of Pleasanton
Changes in Fund Balances - Governmental Funds
Last Six Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30					
	2002	2003	2004	2005	2006	2007
Revenues:						
Taxes	\$ 52,953,380	\$ 56,132,418	\$ 58,551,260	\$ 63,993,411	\$ 69,225,234	\$ 75,235,506
Special Assessments	690,772	677,416	187,775	195,654	215,035	190,362
Licenses	13,273	12,876	12,050	12,906	11,709	11,259
Permits	2,011,839	1,922,531	2,401,186	2,275,465	2,031,209	1,950,100
Fines and Forfeitures	533,572	562,417	689,309	630,864	575,524	526,208
Use of Money & Property	3,220,285	3,796,195	1,665,186	3,519,701	2,766,468	5,926,569
Intergovernmental	10,057,142	13,063,028	7,834,260	5,096,526	6,171,443	5,933,046
Franchises	1,740,281	1,489,967	1,403,790	1,465,139	1,578,689	1,727,617
Charges for Services	10,559,645	11,241,057	11,603,324	12,423,506	13,747,992	13,268,001
Development Fees	2,685,108	3,265,332	3,815,313	5,304,045	3,685,255	3,824,811
Plan Check fees	1,176,506	774,429	1,126,924	924,146	1,119,904	924,558
Reimbursements	741,472	888,428	1,729,241	1,520,518	1,786,422	2,147,204
Contributions and Donations	309,918	721,167	6,023,264	4,091,889	3,417,226	748,144
Other Revenues	1,996,281	5,598,430	7,841,159	3,622,421	3,520,069	3,313,780
Recreation Charges	2,518,653	2,766,415	2,999,640	3,068,010	3,318,406	3,659,920
	<u>\$ 91,208,127</u>	<u>\$ 102,912,106</u>	<u>\$ 107,883,681</u>	<u>\$ 108,144,201</u>	<u>\$ 113,170,585</u>	<u>\$ 119,387,085</u>
Expenditures:						
Current:						
General Government	\$ 7,009,811	\$ 10,285,596	\$ 9,176,425	\$ 9,333,247	\$ 10,279,430	\$ 11,362,742
Public Safety	33,734,061	34,566,762	35,673,629	39,983,855	43,826,861	47,626,223
Development	3,316,758	3,482,879	5,484,984	3,611,279	7,560,598	5,250,750
Public Works	18,981,967	16,178,057	13,937,835	14,463,138	15,413,787	15,780,590
Community Activities	12,942,667	14,733,221	15,464,202	14,819,659	16,209,390	17,850,952
Capital Outlay	8,839,363	14,061,881	24,640,700	15,386,422	8,486,034	16,521,137
Debt Service:						
Principal	1,185,000	4,695,000	1,325,000	755,000	1,330,000	1,345,000
Interest & Fiscal Charges	698,644	1,417,582	1,395,072	1,524,714	1,239,890	1,204,063
Total Expenditures	<u>86,708,271</u>	<u>99,420,978</u>	<u>107,097,847</u>	<u>99,877,314</u>	<u>104,345,990</u>	<u>116,941,457</u>
Over/(Under) Expenditures	<u>4,499,856</u>	<u>3,491,128</u>	<u>785,834</u>	<u>8,266,887</u>	<u>8,824,595</u>	<u>2,445,628</u>
Other Financing Sources (Uses):						
Proceeds from Sale of Capital Assets	-	25,423	-	-	-	-
Proceeds from Issuance of Debt	-	28,425,000	-	-	1,520,000	-
Proceeds from Sale of Bonds	-	-	-	4,040,000	-	-
Payment to Escrow Agents	-	-	-	(4,755,000)	-	-
Transfers In	7,348,087	13,359,981	11,659,951	16,600,296	8,426,644	17,317,214
Transfers Out	(10,831,344)	(36,322,533)	(11,208,079)	(16,955,839)	(11,868,411)	(16,429,835)
(Uses)	<u>(3,483,257)</u>	<u>5,487,871</u>	<u>451,872</u>	<u>(1,070,543)</u>	<u>(1,921,767)</u>	<u>887,379</u>
Net Change in Fund Balances	1,016,599	8,978,999	1,237,706	7,196,344	6,902,828	3,333,007
Fund Balances:						
Beginning of Year	84,329,135	85,345,734	94,324,733	95,562,439	102,758,783	109,661,611
Prior Period Adjustment						(817,458)
End of Year	<u>\$ 85,345,734</u>	<u>\$ 94,324,733</u>	<u>\$ 95,562,439</u>	<u>\$ 102,758,783</u>	<u>\$ 109,661,611</u>	<u>\$ 112,177,160</u>
Debt Service as a Percentage of						
Noncapital Expenditure	2.42%	7.16%	3.30%	2.70%	2.68%	2.54%

Revenue Capacity Information

Assessed Value and Estimated Actual Value of Taxable Property
Last Six Fiscal Years

Direct and Overlapping Property Tax Rates – Last Six Fiscal Years

Principal Property Tax Payers – Current Year & Ten Years Ago

Property Tax Levies and Collections – Last Six Fiscal Years

City of Pleasanton
Assessed Value and Estimated Actual Value of Taxable Property
Last Six Fiscal Years

Fiscal Year Ended June 30	Net Secured	Public Utilities	Net Unsecured	Net Taxable Assessed Value	Total Direct Tax Rate
2002	\$ 10,073,773,908	\$ 3,539,632	\$ 745,410,806	\$ 10,822,724,346	0.268%
2003	11,007,214,146	2,053,960	680,796,620	11,690,064,726	0.267%
2004	11,789,099,384	2,135,286	680,766,777	12,472,001,447	0.267%
2005	12,594,592,116	2,297,346	611,932,067	13,208,821,529	0.313%
2006	13,618,889,401	2,242,475	575,007,837	14,196,139,713	0.319%
2007	14,878,786,916	2,146,073	575,007,837	15,455,940,826	0.332%

Source: Alameda County Office of the Auditor-Controller

City of Pleasanton
Direct and Overlapping Property Tax Rates
Last Six Fiscal Years

	Fiscal Year Ending June 30					
	2002	2003	2004	2005	2006	2007
County Wide Levy	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
City of Pleasanton	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Pleasanton Unified School District	0.0870	0.0759	0.0726	0.0935	0.0854	0.0721
Community College District	0.0000	0.0000	0.0000	0.0186	0.0158	0.0159
Flood Zone 7	0.0157	0.0158	0.0145	0.0114	0.0130	0.0151
Bay Area Rapid Transit District	0.0000	0.0000	0.0000	0.0000	0.0048	0.0050
East Bay Regional Park District	0.0072	0.0065	0.0057	0.0057	0.0235	0.0085
Total	1.1099	1.0982	1.0928	1.1292	1.1425	1.1166

Note: Rates are percentage of total assessed value

Source: Alameda County Office of the Auditor-Controller

**City of Pleasanton
Principal Property Tax Payers
Current Year and Ten Years Ago**

Taxpayer	2007	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
1) Stoneridge Properties	\$212,780,782	1.35%
2) Pleasanton Property LLC	198,645,778	1.26%
3) 6200 Stoneridge Mall Road Investors	177,576,444	1.13%
4) Peoplesoft Properties Inc	152,297,322	0.97%
5) Applera Corporation	135,262,272	0.86%
6) Safeway Inc	125,892,199	0.80%
7) C T Stoneridge LLC	115,863,840	0.74%
8) State Compensation Insurance Fund	102,146,129	0.65%
9) Clorox Services Company	98,277,943	0.62%
10) Capital Pacific Security Trust	91,522,139	0.58/ %
	<u>\$1,410,264,848</u>	<u>8.95%</u>

Source: HdL Coren & Cone
Alameda County Office of the Auditor-Controller

City of Pleasanton
Principal Property Tax Payers, Continued
Current Year and Ten Years Ago

<u>Taxpayer</u>	1998	
	<u>Taxable Assessed Value</u>	<u>Percent of Total City Taxable Assessed Value</u>
1) Security Trust Company	\$151,044,727	2.17%
2) Carr Realty Corporation	115,892,400	1.67%
3) Principal Mutual Life Insurance Co	81,452,289	1.17%
4) Spieker Properties Limited Partnership	69,945,046	1.01%
5) Clorox Services Company	69,054,882	0.99%
6) Peoplesoft Properties Inc	65,239,777	0.94%
7) Stoneridge Associates	54,239,637	0.78%
8) Kaiser Aluminum & Chemical Corp	44,420,744	0.64%
9) Kaiser Foundation Health Plan Inc	43,825,883	0.63%
10) PCA Stoneridge Associates LB	42,916,369	0.62%
	<u>\$738,031,754</u>	<u>10.63%</u>

City of Pleasanton
Property Tax Levies and Collections
Last Six Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Delinquent Tax Collections	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2002	\$ 29,208,610	\$ 28,277,261	96.81%	\$ 692,648	\$ 28,969,909	99.18%
2003	32,064,712	30,270,791	94.41%	932,823	31,203,614	97.31%
2004	33,131,453	32,310,191	97.52%	1,000,586	33,310,777	100.54%
2005	41,714,177	40,400,026	96.85%	886,402	41,286,428	98.97%
2006	44,899,643	44,331,471	98.73%	955,480	45,286,951	100.86%
2007	52,176,573	50,435,987	96.66%	856,922	51,292,909	98.31%

Note: Total Tax Levy includes estimated Unitary Tax, estimated supplemental Assessments, In Lieu Vehicle License Fees and In Lieu Sales and Use Tax. Educational Revenue Augmentation Fund payments have been deducted from the Total Tax Levy beginning in Fiscal Year 1992-93

Source: Alameda County Office of the Auditor-Controller

Debt Capacity Information

Ratios of Outstanding Debt by Type – Last Six Fiscal Years

Ratio of General Bonded Debt Outstanding – Last Six Fiscal Years

Direct and Overlapping Debt – Year Ended June 30, 2007

Legal Debt Margin Information – Last Six Fiscal Years

Pledged-Revenue Coverage – Last Six Fiscal Years

City of Pleasanton
Ratios of Outstanding Debt by Type
Last Six Fiscal Years

Fiscal Year Ended June 30	Governmental Activities			Total Governmental Activities
	General Obligation Bonds	Certificates of Participation	Notes Payable	
2002	\$ -	\$9,985,000	\$ -	\$9,985,000
2003	-	34,180,000	-	34,180,000
2004	-	33,360,000	-	33,360,000
2005	-	31,890,000	75,000	31,965,000
2006	-	30,560,000	1,595,000	32,155,000
2007	-	29,215,000	1,595,000	30,810,000

City of Pleasanton
Ratios of Outstanding Debt by Type , Continued
Last Six Fiscal Years

Fiscal Year Ended June 30	Business-Type Activities				Total Primary Government	Percentage of Personal Income	Debt Per Capita
	Sewer Revenue Bonds	Water Revenue Bonds	Notes Payable	Capital Lease			
2002	\$ 4,558,086	\$ 5,543,387	\$ 505,997	\$ -	\$ 20,594,472	0.6%	\$ 316
2003	4,120,930	4,970,738	473,239	-	43,746,910	1.3%	663
2004	3,609,968	4,368,019	438,318	-	41,778,309	1.2%	626
2005	3,660,000	3,595,000	401,173	697,844	40,321,022	1.0%	601
2006	3,120,000	2,945,000	361,499	567,545	39,151,050	n/a	582
2007	2,575,000	2,300,000	319,204	432,768	36,438,979	n/a	530

City of Pleasanton
Ratio of General Bonded Debt Outstanding
Last Six Fiscal Years

Fiscal Year Ended June 30	Governmental Activities			Percent of Assessed Value	Per Capita
	General Obligation Bonds	Tax Allocation Bonds	Total		
2002	\$ -	\$ -	\$ -	0.000%	0
2003	-	-	-	0.000%	0
2004	-	-	-	0.000%	0
2005	-	-	-	0.000%	0
2006	-	-	-	0.000%	0
2007	-	-	-	0.000%	0

City of Pleasanton
Direct and Overlapping Debt
For the year ended June 30, 2007

2006/07 Net Assessed Valuation

\$15,455,940,826

	Percentage Applicable (1)	Outstanding Debt 06/30/07	Estimated Share of Overlapping Debt
Overlapping Tax and Assessment Debt:			
Bay Area Rapid Transit District	3.946%	\$ 87,185,000	\$ 3,440,320
Chabot-Las Positas Community College District	21.187%	488,944,226	103,592,613
Dublin Joint Unified School District	0.009%	79,505,000	7,155
Livermore Valley Joint Unified School District	2.122%	122,100,000	2,590,962
Pleasanton Unified School District	97.500%	123,699,429	120,606,943
Sunol Glen Unified School District	0.001%	1,669,789	17
City of Pleasanton 1915 Act Bonds	100.000%	47,640,000	47,640,000
East Bay Regional Park District	5.737%	166,295,000	9,540,344
Total Overlapping Tax and Assessment Debt:			<u>287,418,354</u>
Direct and Overlapping General Fund Obligation Debt:			
Alameda County General Fund Obligations	9.924%	462,174,000	45,866,148
Alameda County Pension Obligations	9.924%	254,826,843	25,289,016
Alameda County Board of Education Certificates of Participation	9.924%	490,000	48,628
Chabot-Las Positas Community College District Certificates of Participation	21.187%	5,145,000	1,090,071
Pleasanton Unified School District Certificates of Participation	97.500%	18,975,000	18,500,625
City of Pleasanton General Fund Obligations	100.000%	29,215,000	29,215,000
Total Direct and Overlapping General Fund Obligation Debt:			<u>120,009,488</u>
Combined Total Debt			<u>\$ 407,427,842</u>

(1) Percentage of overlapping agency's assessed valuation located within boundaries of the City.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital

Ratios to Assessed Valuation:

Combined Direct Debt (\$29,215,000).....	0.19%
Total Overlapping Tax and Assessment Debt.....	1.85%
Combined Total Debt.....	2.62%

State School Building Aid Repayable as of 06/30/07: \$ 0

Source: California Municipal Statistics, Inc.

**City of Pleasanton
Legal Debt Margin
Last Six Fiscal Years**

	Fiscal Year Ending June 30					
	2002	2003	2004	2005	2006	2007
Assessed Valuation	\$ 10,925,666,346	\$ 11,690,064,729	\$ 12,472,001,447	\$ 13,208,821,529	\$ 14,196,139,713	\$ 15,455,940,826
Conversion Percentage	25%	25%	25%	25%	25%	25%
Adjusted Assessed Valuation	2,731,416,587	2,922,516,182	3,118,000,362	3,302,205,382	3,549,034,928	3,863,985,207
Debt Limit Percentage	15%	15%	15%	15%	15%	15%
Debt Limit	409,712,488	438,377,427	467,700,054	495,330,807	532,355,239	579,597,781
Amount of Debt Subject to Limit	970,000	505,000	-	-	-	-
Legal Debt Margin	<u>\$ 409,712,488</u>	<u>\$ 438,377,427</u>	<u>\$ 467,700,054</u>	<u>\$ 495,330,807</u>	<u>\$ 532,355,239</u>	<u>\$ 579,597,781</u>
Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: City of Pleasanton Finance Department
Alameda County Office of the Auditor-Controller

City of Pleasanton
Pledged-Revenue Coverage for the Sewer and Water Funds
Last Six Fiscal Years

Sewer Revenue Bonds

Fiscal Year Ended June 30	Sewer Revenues*	Less Operating Expenses*	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2001-02	\$ 11,271,807	\$ 9,245,473	\$ 2,026,334	\$ 431,395	\$ 471,261	\$ 902,656	2.24
2002-03	11,331,746	9,308,075	2,023,671	436,156	183,963	620,119	3.26
2003-04	11,276,659	9,288,015	1,988,644	505,018	152,830	657,848	3.02
2004-05	11,317,202	9,399,929	1,917,273	473,020	190,028	663,048	2.89
2005-06	11,312,597	9,698,298	1,614,299	540,000	102,472	642,472	2.51
2006-07	11,681,865	10,048,466	1,633,399	545,000	88,744	633,744	2.58

Water Revenue Bonds

Fiscal Year Ended June 30	Water Revenues*	Less Operating Expenses*	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2001-02	\$ 16,649,591	\$ 11,673,887	\$ 4,975,704	\$ 488,605	\$ 294,096	\$ 782,701	6.36
2002-03	16,453,656	11,849,788	4,603,868	572,649	214,356	787,005	5.85
2003-04	17,334,948	12,929,069	4,405,879	544,983	242,942	787,925	5.59
2004-05	16,351,235	11,573,538	4,777,697	531,980	208,756	740,736	6.45
2005-06	16,670,008	12,892,209	3,777,799	650,000	77,712	727,712	5.19
2006-07	17,995,780	14,569,010	3,426,770	645,000	64,756	709,756	4.83

Note: Revenue and expenditure totals differ from totals in the financial statements because bond rate covenants include and exclude various line item amounts (e.g. depreciation).

Source: City of Pleasanton, Finance Department

Demographic and Economic Information

Demographic and Economic Statistics – Last Six Calendar Years

Principal Employers – Current Year and Five Years Ago

City Employees by Function – Last Six Fiscal Years

**City of Pleasanton
Demographic and Economic Statistics
Last Six Calendar Years**

Calendar Year	Population As of 1/1 (1)	Personal Income (2)	Per Capita Personal Income (2)	Unemployment Rate (3)
2001	65,154	\$ 3,199,363,040	\$ 48,950	2.3%
2002	65,961	3,206,276,673	48,455	3.2%
2003	66,788	3,314,652,042	49,473	3.3%
2004	67,049	3,518,132,000	52,471	2.9%
2005	67,321	3,865,229,000	57,415	2.5%
2006	67,873	N/A	N/A	2.2%

Note: Personal income and per capita person income for years 2001 through 2003 for the City of Pleasanton are estimates based upon the percent of change for Alameda County as provided by the Dept of Commerce, BEA

- Sources:
- (1) California Department of Finance, Demographic Research Unit
 - (2) California Franchise Tax Board / U S Dept of Commerce, Bureau of Economic Analysis
 - (3) California Employment Development Department, Labor Market Information Div.

**City of Pleasanton
Principal Employers
Current Year and Five Years Ago**

Employer	2007		2002	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Safeway	2400	4.08%	1100	1.80%
(1) EMC Corporation	2200	3.74%	490	0.80%
(2) Oracle	1800	3.06%	3500	5.74%
(3) Washington Mutual	1400	2.38%	1800	2.95%
Valley Care Medical Center	1300	2.21%	1135	1.86%
Kaiser Permanente	1200	2.04%	744	1.22%
Pleasanton Unified School District	1168	1.98%	1240	2.03%
Robert Half International	1102	1.87%	1110	1.82%
E-Loan	825	1.40%	-	0.00%
AT&T	750	1.27%	1660	2.72%
Macy's	750	1.27%	678	1.11%
Farmers Insurance	601	1.02%	700	1.15%
Ross Stores	550	0.93%	-	0.00%
Clorox Services Company	530	0.90%	487	0.80%
City of Pleasanton	504	0.86%	550	0.90%

"Total Employment" as used above represents the total employment of all employers located with City limits.

Sources: City of Pleasanton Economic Development Department
California EDD, Labor Market Information Divn.
"Projections 2007" ABAG

- (1) Previously Documentum
- (2) Previously Peoplesoft
- (3) Previously Providian

City of Pleasanton
Full-Time and Part-Time and Limited Term Employees by Function
Last Five Fiscal Years

Function	Full-Time and Part-Time and Limited Term Employees as of June 30					
	2002	2003	2004	2005	2006	2007
General Government	44	44	44	44	44	45
(1) Public Safety	183	182	182	182	185	187
Planning & Community Development	20	20	18	18	20	20
Public Works	91	89	76	76	76	75
Community Activities	86	86	85	85	85	85
Utilities	35	35	35	35	35	35
Total	459	456	440	440	488	447

(1) Public Safety includes Police personnel and the City of Pleasanton's cost share allocation of Livermore-Pleasanton Fire Department personnel per Joint Powers Agreement.

Source: City of Pleasanton Budget

Operating Information

Operating Indicators by Function – Last Six Fiscal Years

Capital Asset Statistics by Function – Last Six Fiscal Years

City of Pleasanton
Operating Indicators by Function
Last Six Fiscal Years

	Fiscal Year Ending June 30					
	2002	2003	2004	2005	2006	2007
Police:						
Arrests	2574	3000	2450	2401	2281	2414
Parking Citations Issued	1447	1712	1866	1398	1285	1175
Administrative Citations Issue	125	84	210	99	181	129
Fire:						
Number of Responses (Pleasanton only)	3833	4011	4055	4256	4547	4886
Number of Inspections (Pleasanton only) (1)	447(1)	1003	923	1181	1465	1701
Library:						
Annual Circulation	845,266	969,833	969,483	1,047,607	1,109,541	1,237,543
Gate Count (# or people through the doors)	425,081	467,867	467,696	465,978	459,138	472,633
Finance						
Business Licenses Issued	7,828	8,272	9,362	10,529	10,933	9,206
Utility Bills Generated	122,094	123,750	128,172	128,256	128,838	131,027
Parks & Community Services:						
Paratransit Trips (2)	22,560	23,717	24,867	22,898	20,974 (2)	19,122
Golf Rounds Played (3)	0	0	0	0	45,229	73,365
Aquatics Youth Programs	9,193	8,235	16,523	17,364	16,002	16,838
Youth Sports, Camps, Classes and Leagues	N/A	6,556	5,639	7,039	9,299	11,755
Audiences & Performers at Amador Theater (4)	68,805	69,200	70,400	70,195	66,354(4)	70,900
Building Department:						
Plan checks	941	982	1,131	1,217	1,110	989
Permits Issued	6,553	6,684	7,473	7,314	7,224	5,616
Public Works:						
Streets Resurfacing (miles)	11	12	13	11	10	10
Water:						
New Water Connections	182	204	283	279	180	113
Gallons Delivered	5,748,538,000	5,750,837,000	6,336,298,000	5,504,555,000	5,987,811,000	5,918,501,380
Wastewater:						
New Sewer Connections	310	213	325	258	201	185

- (1) for fire inspection 1/1/02 - 6/30/02. Only
- (2) Down two drivers/buses in April, May & June
- (3) Callippe Preserve opened November 2005
- (4) No Civic Arts Holiday Show

City of Pleasanton
Capital Asset Statistics by Function
Last Six Fiscal Years

	Fiscal Year Ending June 30					
	2002	2003	2004	2005	2006	2007
Police:						
Stations	1	1	1	1	1	1
Fire:						
Stations (Pleasanton only)	4	4	5	5	5	5
Library:						
Branches	1	1	1	1	1	1
Parks & Community Services:						
Parks (acres developed and maintained)	140	140	360	397	397	397
Municipal Golf Courses	0	0	0	0	1	1
Aquatic Centers	1	1	1	1	1	1
Senior Centers	1	1	1	1	1	1
Public Works:						
Streets (miles)	189	189	194	194	198	206
Streetlights	5,114	5,136	5,208	5,209	5,311	5,320
Traffic Signals	75	79	80	86	87	92
Water:						
Water mains (miles)	303	306	310	313	314	318
Pumping Capacity (gallons/day)	35.9M	35.9M	35.9M	37.0 M	37.0M	37.0M
Wastewater:						
Sanitary Sewers (miles)	239	241	245	248	249	253
Storm Sewers (miles)	175	176	179	182	183	188

Source: City of Pleasanton Finance, Parks and Community Services, and Public Works Departments